



# Mount Eden Normal

## PRIMARY SCHOOL

Te Whare Akoranga o Maungawhau

**POLICY**

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### *Finance*

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## **Rationale**

To ensure that the school's finances are managed and maintained effectively, that appropriate procedures and controls are in place to ensure compliance with all relevant legislation and that school funds are used only for legitimate, school-related expenditure.

### *Financial Management - Function of the Board*

The Board of Trustees retains primary responsibility for the overall financial management of the school, in accordance with governance obligations. From time to time, it will delegate some of its authority and responsibilities to committees and staff members, however in each of these cases it will retain an oversight role.

The Board retains the following financial management responsibilities:

- Approval of the finance policy
- Approval of the annual budget
- Approval of any expenditure in excess of budgeted levels, subject to the delegated limit of \$5000, as specified below
- Approval of Principal expense claims (Presiding member)
- Approval of any individual asset costing over \$10,000

### *Financial Management - Board Delegation to the Principal*

The Board delegates the following financial management responsibilities to the Principal:

- The Principal will manage this Policy on the Board's behalf and ensure appropriate systems and procedures are in place to safeguard the school's assets
- Authorisation of budgeted expenditure that has the prior approval of the Board
- Authorisation of unbudgeted capital expenditure variance without prior Board approval of up to 10% (per asset purchase), to a maximum of no more than \$5,000 variance. This then needs to be reported promptly to the Board
- Authorisation of expense claims (other than those claimed by the Principal), subject to Policy requirements
- The Principal, as chief executive, will have responsibility for implementation and management of this Policy. The Principal may, from time to time, further delegate some of these responsibilities. All such delegations must be attached as appendices to this policy
- This Policy must be read in conjunction with other Board Policies, and the exercising of all authority and responsibilities conferred under this Policy must be in accordance with the Schedule of Delegations

## Requirements

The Board (or its delegates) will, each year:

- Produce a budget which complies with all relevant legislation and reflects the Board's strategic goals and priorities, as stated in the Charter, and present it to the Board for approval. A draft budget (including draft proposed capital expenditure) will be tabled for approval on or before January each year for operational purposes, with the final budget being tabled for approval at the earliest available opportunity once annual finance reports have been completed
- Monitor expenditure to keep within budget where possible by means of appropriate procedures and regular monitoring
- Ensure all expenditure, and commitment of expenditure, is approved within the Board's delegations
- Seek professional advice from the school's appointed external accounts contractor in relation to recommended levels of working capital to be maintained as a contingency for possible emergencies
- Ensure regular monitoring and reporting of the school's working capital position, with reference to clause 2.4 (above), to ensure appropriate funds are available to the school as a contingency for possible emergencies

### Monthly financial accounts for the Board

- Ensure reports comply with Public Sector Accounting Standards and all Ministry Audit requirements, are prepared annually for audit and are made available as public documents on request
- Ensure records of financial transactions are accurate and up to date

- Invest surplus monies with due regard to [Section 73 of Education and Training Act, 2020](#)
- Ensure all School Assets be adequately protected and maintained including adherence to the 10 year Property Plan. This includes protection of Intellectual property information and files from loss, significant damage or unauthorised access or duplication
- Ensure all funds received, processed or disbursed are done so under controls sufficient to satisfy the standards of the board appointed auditors. Ensure only authorised personnel handle Board property or funds
- Ensure that community sponsorship and fundraising activities adhere to the principles of equity, community involvement and increased educational experiences for all students
- Ensure that all assets are accounted for annually and are insured

### **3. Cash Management**

#### **3.1 Credit Cards**

The school is authorised to operate a credit card with a limit of no more than \$5,000. The signatories will be;

- The Principal
- The Deputy Principal
- The Executive Officer

The credit card balance must be paid in full on or before the due date

#### **Call Deposit Accounts**

3.2.1 One account shall be operated for Board general receipts and payments. The only other bank account permitted shall be for the school's at-call deposit account. The authorised signatories to this account shall be as follows:

- the Principal
- the Deputy Principal
- the Executive Officer

3.2.2 At no time shall the account be operated in overdraft

3.2.3 One at-call interest bearing deposit account shall be operated to hold cash resources not currently required for operating purposes. This account is only to be operated by the Principal or Executive Officer

#### **Investments**

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

- 3.3.2 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)
- 3.3.3 Investments may only be made by the Executive Officer, with authorisation by the Principal

### **Fundraising**

- 3.4 The Board acknowledges that under Section 73 of the Education and 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

### **Cash Receipts**

- 3.5.1 All cash and payments received must be paid into the school office and properly accounted for. This includes trading income, other local funds receipts and reimbursements for learning materials
- 3.5.2 No cash received can be used to pay accounts in cash
- 3.5.3 Only delegated staff may handle cash, as per the supplementary schedule of delegations (Section 4.1: Banking and Cash Handling)
- 3.5.4 All receipts must be banked as soon as possible and preferably within one working day of receipt
- 3.5.5 All cash kept on the premises must be kept secure and under the control of the Executive Officer

### **Accounts for Payment**

- 3.6.1 All accounts for payment, other than expense reimbursements and attendance fees, must be supported by a copy of the:
- school purchase order form
  - the invoice (along with certification by administration staff and/or orderer that each item has been received, prices and quantities are correct and the payee details are correct)
  - the correctly completed cheque (if payment is to be arranged by cheque) ready to be signed
- 3.6.2 Expense reimbursements must be certified by the manager of the individual being reimbursed, provided the certifier has delegated authority to sign. An expense claim 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 (as per PTCA)

### **Petty Cash**

- 3.7.1 A petty cash fund of no more than \$500 shall be held
- 3.7.2 Reimbursement claims from the petty cash fund shall not exceed \$80 and must be accompanied by a receipt and approved petty cash voucher

Petty cash advances will only be made for amounts up to \$80. They must have an approved petty cash voucher. A receipt for the actual expense with any unspent cash must be provided within 7 days of the advance

#### 4. Supplementary Schedule of Delegations [Finance]

##### 4.1 Banking and Cash Handling

Staff roles as specified below are as appointed by the Principal, with the duties specified below included in their job description.

What	Who
Opening mail and receipting the cash and payments received	Office Assistant
Receipting of all student cash received	Office Assistant
Preparation of banking	Office Assistant
Deposit of banking	Co-office assistance (separation of duties)
Reconciliation of daily receipts with banking	Executive Officer
Periodic bank reconciliation	Executive Officer
Certification of bank reconciliation	Accounting Service Provider
Custody of cash and cheques	Executive Officer

##### 4.2 Petty Cash

What	Who
Authorising reimbursement of petty cash claims/vouchers	Executive Officer
Reconciling petty cash balance	Executive Officer
Signing petty cash top-up cheque	Principal and Executive Officer

##### 4.3 Purchases and Payments

What	Who
Raising purchase orders – paper, phone or internet	Budget Holders
Verifying receipt of goods or services	Office Assistant
Approval of invoices for payment	Executive Officer
Signing cheques/approving bank payment	2 Authorised Signatories
Setup/editing of new supplier accounts	Executive Officer

##### 4.4 Investments

What	Who
Transfer to and from general, at-call and term deposit accounts	Executive Officer

Reconciliation of transfers	Executive Officer
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#### 4.5 Accounting System

What	Who
Accounting systems daily back-up	Accounting Software Provider
Weekly off-site back-up storage	Executive Officer
Monthly history file back-up	Accounting Software Provider

#### 4.6 Payroll

What	Who
Check of fortnightly SUE report	Executive Officer/Principal & Associate Principal
Reconciliation with bank debit with errors followed up	Executive Officer
Verification of SUE reconciliation report and bank debit	Principal
Staff expense claim – approval	Executive Officer/Principal
Setup of new staff & staff termination	Executive Officer & Principal

#### 4.7 Income

What	Who
Preparation of receivables invoices	Executive Officer
Reconciliation of receivables ledger	Executive Officer
Verification of reconciliations	Accounting Service Provider
Debt write-off approvals	Principal

#### 4.8 Fixed Assets

What	Who
Fixed asset purchase approval	Board
Fixed asset purchase order approval	Principal
Fixed asset delivery acceptance check	Office Assistant
Fixed asset invoice certification	Executive Officer
Fixed asset register update	Executive Officer

### **5. Gifts, Koha & Entertainment**

The Board recognises its responsibility to ensure that expenditure on Gifts, Koha and Entertainment incurred by the school must be clearly linked to the business of the school. Gifts, Koha & entertainment expenditure in general will be for the following purposes:

- Building relationships and goodwill
- Representation of the school in a social situation
- Hospitality provided in the course of school business to external parties
- Internal social functions

The purpose of all purchases should be transparent and the amount expended able to be demonstrated as reasonable and appropriate

### 5.1 School Events and Staff Meetings

This includes conferences, seminars, workshops, training courses and meetings

- When deciding upon a venue, teachers should take into account location, accommodation standard and tariff rates. They should give due consideration to the nature of the event, total cost, expectations of participants and their home location

5.1.3 When deciding upon catering, the Principal should ensure that the nature of the event and the quality of food required is taken into account. Meals may be provided where reasonable and appropriate, at the discretion of the Principal, for staff meetings or school events where it is not practical or possible to arrange the meeting for a period which avoids meal breaks (such as teacher-only days, parent conferences and other similar school events)

5.1.4 Prior approval is required from the Board of Trustees for staff celebrations that may involve significant budgeted expenditure (such as retirement functions or a contribution towards a staff Christmas Party)

### 5.2 Alcohol Purchases

5.2.1 The school should only purchase alcohol for entertainment purposes

5.2.2 Purchases are usually for the consumption by staff and guests at school hosted events. The amount expended needs to be demonstrably reasonable and appropriate for the event and should be sufficient for moderate consumption only

## **6. Travel**

- Travel expenditure must be on school-related business. The Principal has delegated authority from the Board and responsibility for ensuring that;
  - the School can expect a reasonable and acceptable benefit from the travel when considered against the cost;
  - expenses are reimbursed on an actual and reasonable basis
  - staff that are required to travel on business do not suffer any negative financial effect
- Staff members may not approve their own travel (including the Principal. Approval should be granted by the Presiding member)
- All booking for international and domestic travel is to be conducted through the School's normal purchase procedures. This includes the booking of accommodation, flights and rental cars

### Travel - Domestic



- 6.2.1 The justification for travel within New Zealand must be documented. It is to be transparent and must relate to a school need. 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)
- 6.2.2 All domestic air travel is to be economy class

### Travel – International

- 6.3.1 Prior to international travel being undertaken, the traveller must be given a copy of the travel sub-sections of this policy and be required to sign it off to signify that they have read and understood it (see Staff Declaration below)
- 6.3.2 All international travel should be authorised by the Board before it is commenced. A proposal must be 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. If approved, this will be minuted and approved in writing by the Board
- 6.3.3 Subsequent to the trip overseas, the traveller must prepare a trip report, which details the costs incurred during the trip, activities which took place during the trip and the benefits to the Board and the School of the trip
- 6.3.4 Except where the flight time exceeds 10 hours, all international air travel is to be economy class
- 6.3.5 Business class travel may be approved, where the Board considers it appropriate, for travel more than 10 continuous hours in duration
- 6.3.6 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

### Travel – Accommodation

- 6.4.1 Staff should opt for good (for example, 3 Star) but not superior accommodation and must be prepared to justify exceptions to this rule to the Board. Wherever possible, accommodation arrangements should be approved by the Board prior to the trip
- 6.4.2 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. Authorisation of koha/gifts is subject to the Gifts, Koha & Entertainment sub-sections of this policy

### Travel – Vehicles

- 6.5.1 When using rental cars for school-related business, staff should opt for good but not superior model vehicles and should be prepared to justify any exceptions to this rule to the Board. Wherever possible, vehicle hire and transport arrangements incurring a cost should be approved by the Board prior to the trip
- 6.5.2 Use of private vehicles for school-related business is to be approved on a one-up basis and reimbursement will be at the rate specified by the Inland Revenue Department
- 6.5.3 When using taxis for school-related business, staff should pay for the taxis, obtain a receipt and seek reimbursement as a legitimate expense claim

### Travel – Reimbursement of Travel Expenses

- 6.6.1 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”
- 6.6.2 For travel within New Zealand, actual and reasonable expenses are those incurred above the normal day to day costs. For example, a staff member would normally incur personal expenditure for lunch on a daily basis and the cost of lunch when travelling should not be reimbursed unless the costs are greater than that normally incurred
- 6.6.3 All personal expenditure is to be met by the staff member. Examples of this include (but are not limited to) mini-bar purchases, in-house movies, laundry and private phone call charges, which are to be paid separately by the travelling staff member without reimbursement by the school
- 6.6.4 All receipts must be retained and attached to the travel claim. The claim is to be authorized on a one-up basis
- 6.6.5 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
- 6.6.6 Authorisation may 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
- 6.6.7 All Principal expenses must be approved by the Presiding Member of the Board

*Travel – Discretionary Travel Benefits*

- 6.7.1 Staff must travel by the most direct route available (unless scheduling dictates otherwise)
- 6.7.2 The School will 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
- 6.7.3 The Board has discretion to consider and approve sensitive expenditure for additional travel benefits (such as hotel upgrades, flight upgrades, Koru Club membership) for staff members whose duties require regular and/or extended travel on school business, subject to sensitive expenditure requirements (below)

**Mt Eden Normal Primary School Staff International Travel Declaration**

Name of Staff Member: \_\_\_\_\_

Date and purpose of travel: \_\_\_\_\_

\_\_\_\_\_

I certify that I have read and understood the relevant travel sub-sections (10) of the Mt Eden Normal Primary School Board of Trustees’ Finance Policy, and agree to abide by it. I understand that in doing so, any expenditure that falls outside the provisions and stipulations of this policy will be at my own personal expense, and will not be reimbursed by the Board of Trustees.

Signed: _____	Date: _____
Principal Signature: _____	Date: _____

## 7. Sensitive Expenditure

The board recognises its responsibility to ensure that all expenditure of school funds is clearly linked to the business of the school and does not, at any time, provide unreasonable and personal benefit from those funds to any individual or group of individuals, including staff, parents and students. This includes benefits relating to travel, as detailed in the Travel sub-section of this policy, or any other sensitive expenditure extended to staff

- 7.1 All expenditure which is incurred on behalf of individuals or groups will be fully accounted for and a separate income statement for the purpose of reporting to the Board provided, showing all funds raised and expenditure incurred
- 7.2 Any expenditure which may be considered to be beneficial to individuals or groups of individuals will be carefully scrutinised before approval and will be supported by appropriate fundraising specific to that expenditure
- 7.3 The Board requires the Principal, where expenditure may be beneficial to an individual or group of individuals, to take account of the following prior to authorising this expenditure. In cases where expenditure relates to the Principal, the Board must carry out this process on a one-up basis
  - Does the expenditure benefit the school and/or student outcomes?
  - Does the expenditure represent 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?
  - Would there be perceived to be any personal gain from this expenditure?
  - Does this expenditure occur frequently?
- 7.4 Any sensitive expenditure that relates to the Principal must be approved by the Presiding Member of the Board

## 8. Asset Management

### Acquisition of Assets

- 8.1 The Board agrees to review the asset management plan annually and agree a budget for annual asset acquisitions
- 8.2 The Principal will have delegated authority to purchase assets within the annual asset acquisition budget, following sound procurement processes, provided that the value of any individual asset purchased is no more than \$10,000
- 8.3 The decision to purchase any individual asset with a cost of over \$10,000 must be made by the Board, not the Principal alone
- 8.4 The Board shall consider the most cost efficient acquisition method for each new assets acquisition decision i.e. whether to buy or lease, and whether to acquire by operating or finance lease
- 8.5 The Board shall follow sound procurement processes for the acquisition of assets over \$10,000. This may include placing a notice on the Government Electronic Tendering

System (GETS) for acquiring assets with a combined value over \$100,000 or obtaining several quotes to compare value for money; and managing any potential conflicts of interest appropriately.

#### Asset Management - Information Technology Assets

- 8.6 The Board aims to provide and maintain a suite of IT assets that provides the best possible learning tools for students, within budget constraints, including a replacement programme that matches the expected useful life of each asset.

#### Asset Management - Expected Useful Lives

- 8.7 The Board agrees on the expected useful lives of the following types of assets:

Buildings	50 years
Audio Visual	10 years
Information Communication Technology	5 years
Fixtures & Fittings	10 years
Office Equipment	10 years
Plant & Machinery	10 years
Playground Equipment	10 years
Library Resources	8 years
Leased Assets	4 years

#### **Asset Management - Maintenance of Assets**

- 8.8 The Principal has delegated authority to maintain the school's assets in good working order, within the approved budget

#### Asset Management - Asset Records

- 8.9 A fixed asset register for all assets with a cost of \$1,000 or more shall be recorded in the fixed asset register
- 8.9.1 Assets that cost less than \$1,000 shall be expensed in the year of purchase
- 8.9.2 A review of assets against the fixed asset and valuable asset registers shall be undertaken at least once a year

#### Asset Management - Disposal of Assets

- 8.9.3 The Principal shall have delegated authority to dispose of any asset that has reached the end of its useful life (as recorded in the fixed asset registers), provided the original cost of that asset was less than \$5,000. The Principal shall report to the Board about reasons for disposal, disposal process and any net disposal proceeds
- 8.9.4 The Board shall approve the disposal of any asset with an original cost of over \$5,000, including the disposal reasons, process use of any disposal proceeds

Related Policies:

- Governance

- Theft and Fraud Prevention
- Protected Disclosures (Whistleblower)

Signed: Annette Quesado  
Presiding Member

Policy review details

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