

OUR LADY OF THE SACRED HEART SCHOOL**FINANCIAL MANAGEMENT POLICY****AIMS**

To use the school's financial resources to work towards achieving goals within the Charter.

To maintain accountability for and control of the school's financial resources.

OBJECTIVES

1. To produce a budget before the end of school year (December) each year for the coming year and to present this to the board for approval.
2. To keep income and expenditure within budget by means of appropriate procedures and regular monitoring.
3. To ensure all expenditure is approved within the recognised delegations.
4. To table and report on monthly income and expenditure to date against budget, for Board approval.
5. To bring promptly to the Board's attention any financial matters of significance.
6. To ensure financial statements complying with Section 41A of the Public Finance Act 1989 are prepared annually for audit by the auditor appointed by the Audit Office and are made available to the community after audit.
7. The School has contracted accountants to prepare the monthly accounts and check that records are kept accurate and up to date.
8. To ensure that the cashflow of the school is managed effectively to support both the annual operating and longer term capital expenditure requirements of the school.

OUR LADY OF THE SACRED HEART SCHOOL
FINANCE OPERATING PROCEDURES SCHEDULE

2011

Internal Approved Levels

Objective:

To ensure that commitments and decisions made by the school are properly authorised and approved by the Board of Trustees and to minimise hindrance in the day to day operation of the school.

Approved Levels:

Level 1: Formal BOT approval
 Level 2: Principal & Chairperson or Treasurer or designated BOT member
 Level 3: Principal or Chairperson or Treasurer

Procedures:

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|----|--|---------|
| 1. | Additions or alterations to approved levels | Level 1 |
| 2. | Employment or changes in employment conditions: | |
| | Principal and all permanent appointments | Level 1 |
| | Other eg: long term relievers, fixed tenure, part time | Level 2 |
| 3. | Operating Requisitions/Orders | |
| | Budgeted items | Level 3 |
| | Principal may delegate authority to purchase to the budget holder. | |
| | Unbudgeted items up to \$500.00 | Level 3 |
| | Unbudgeted items over \$500.00 up to \$1500 | Level 2 |
| | Unbudgeted items over \$1500 | Level 1 |
| 4. | Expenses and Non-Purchase Order Payments | Level 3 |

OUR LADY OF THE SACRED HEART SCHOOL

FINANCE & OPERATING PROCEDURES

CONTROLLING INCOME

1. Our Lady of the Sacred Heart School operates the following bank accounts at the ASB, Greenwood's Corner Branch, for the Board of Trustees Funds.
 - a. Main cheque account.
 - b. Term deposit investment accounts

2. All monies collected in the school are to be receipted and banked into the main cheque account.
 - a. Monies received from the children are either
 - (i) recorded on class lists and receipted by the School Secretary or
 - (ii) in the case of the Activity Fee, monies are drawn from the appropriate allocated budget.

Totals for each class are to be recorded on the receipt.
 - b. Copies of all bank deposit slips are held and cross referenced to receipt numbers.
 - c. Incoming cash is not used for payments.

3. Monies are to be banked regularly so no large amounts are held on the school premises.

CONTROLLING EXPENDITURE

1. The Board will give its approval annually to a budget prepared by the Principal in consultation with the Treasurer. The Principal will delegate authority to class teachers for expenditure in certain budget categories.

2. All cheque or withdrawals from the accounts (other than transfers between account) require two signatures.

The authorised signatories for all accounts are to be at least four Board members including Treasurer, Principal, Deputy Principal and Staff representative.

Cheques for \$1000 or more must be signed by the Principal and one non-staff Board member. In the event a non-staff member is unavailable to sign a cheque in excess of \$1000, email approval will be sought from the Treasurer in the first instance and then the Chairperson. Principal will provide a list of cheques paid, on a monthly basis to the Treasurer.

3. The Principal shall have the sole use of a school credit card with a limit up to \$2000.00. Credit card statement is to be provided to the Treasurer monthly. Payments of the credit card account are to be accompanied by corresponding receipts/invoices and are to be allocated to specific budget areas.

4. All expenditure is to be charged by invoice where possible using a school order form. For all orders, an order form is to be completed and a number quoted to the supplier. Teachers are asked to avoid where possible buying goods with their own money and then seeking reimbursement.

4. Delegated authority is identified in the Finance Operating procedures schedule (attached). This schedule is to be reviewed annually.

Ordering Procedures

1. A duplicate order book is kept in the school office.
2. Orders are to be signed by the staff responsible for the expenditure and, where applicable, are to state the curriculum area, the level, and the location.
3. The top copy is to be kept in the office until the goods are received, then checked and attached to the invoice for payment.
4. The second copy is kept in the order book.
5. A third copy (photocopy) can be sent to the supplier if requested by that supplier.
6. One current order book is to be used for all orders.
7. The office staff will, each month, keep up to date cash records and creditors on the Musac computerised accounting system to ensure that details on the expenditure incurred and outstanding orders in each budget category are always available for referral.

Outgoing Payments

1. All expenditure is to be paid by cheque or may be paid by pre-approved direct debit or automatic payment or credit card. (Other than that referred to in Petty Cash in Note 11 below).
2. Invoices on arrival are to be checked by the office staff and quantities of goods and prices verified. The office stamp is to be put on the invoice and the "Date Rec'd" and "Checked" boxes completed.
3. In general, invoices will be paid (with accompanying statements) on or about the 20th of the month following receipt, unless the terms of trade dictate otherwise.
4. On manually prepared invoices the office staff will check that the price calculation, calculation of discounts and GST are correctly charged.
5. The office staff will attach a voucher and order form to the invoice/statement detailing:
 - a. Cheque number for payment
 - b. Date of cheque
 - c. Order number
 - d. Payee
 - e. Budget category/categories
 - f. GST exemption where appropriate
6. The voucher is to be authorised for payment by an Authorised Signatory.
7. Cheques will be crossed "NOT TRANSFERABLE, A/C PAYEE ONLY".
8. Cheques and vouchers will be signed/initialled by two of the authorised cheque signatories.
9. Cheques are to be mailed to creditors with remittance slips.

10. Vouchers are to be filed in cheque number order.
11. Petty cash will be used for small items purchased when it is impractical to use an order form. A cash float of, at most, \$100.00 will be held. Receipts will be kept for all purchases giving GST details.
12. All inwards and outwards cash will be recorded in the Musac computerised accounting system each month.
13. The bank statements will be reconciled monthly with the Musac cash records when monthly financial statements are prepared.
14. A hard copy of the cash transactions will be printed monthly from Musac and an electronic backup is made automatically at the end of the day, after any transaction entries have been made.
15. A printout, detailing income and expenditure to date against budget for each budget category, will be printed monthly from Musac. This printout will be kept in the school office for referral.
16. The GST content of outgoing and incoming cash transactions will be recorded accurately on Musac.
17. GST returns will be prepared on a two monthly basis by the contract accountant, who is contracted to prepare the monthly accounts. The Treasurer accepts responsibility on behalf of the Board.
18. Where PAYE returns and ACC levies are required, these will be completed by the payroll accountants, and the Treasurer accepts responsibility on behalf of the Board.

RESPONSIBILITIES OF CHEQUE SIGNATORIES

1. The Authorised Signatory accepts responsibility for checking that the goods were ordered by the school, were delivered in the quantities indicated on the invoice and are charged at the quoted/expected/reasonable price. These tasks may be delegated to the office staff.
2. The Authorised Signatory is to complete the "Account No" and "Authorised" boxes on the school stamp on the invoice. They must also initial the voucher as Authorised Signatory.
3. Payments are generally to be made on invoice, or on statement accompanied by the corresponding invoices.
4. The budget category against which the expense has been allocated, will reflect the items purchased .
5. The payment amounts on the invoice/statement, on the voucher and on the cheque, will all correspond.
6. The payee on the cheque should be the same as the supplier of the goods (except when reimbursements are necessary) and the date of payment should be appropriate.
7. The cheque will be printed/stamped "NOT TRANSFERABLE, A/C PAYEE ONLY".

8. When satisfied that the above are in order, two of the authorised cheque signatories will initial the voucher and sign the cheque.

ELECTRONIC BANKING

Electronic Banking may be used to assist in the financial management of the school. Any payment transactions are required to be authorised by two of the authorised signatories. All transactions will be in keeping with the procedures as set out under 'Controlling Expenditure'.

RECORDS

1. Order Books
 - Keep only one order book current at a time
 - File used order books when completed.
2. Invoices and Statements
 - Pay on invoices or on statement only if accompanied by the corresponding invoices
 - Vouchers are to be prepared for each payment
 - Packing slips, invoices and statements are to be stapled to vouchers
 - Vouchers are to be filed in cheque number order
3. Receipt Books
 - Each book is to be numbered consecutively in each year
 - Issue separate receipts for school fees which show the school name and the different components of the school fee payment
 - All other monies will be receipted in the current receipt book.
4. Bank Deposit Books
 - Keep in a safe place
 - Keep in date order for audit purposes
5. Cheque Books
 - Always complete the butt
 - Keep in a safe place
 - Keep in date order for audit purposes

BANK STATEMENTS

1. File in date order for each account
2. Statements are to be obtained and checked weekly

GST RETURNS

1. To be processed every two months
2. File in date order with the corresponding Musac report for the period of all cash payments and receipts and their GST content.

SCHOOL CONTRIBUTIONS AND ATTENDANCE DUES

1. An annual invoice for the amounts of the school contribution, activity fee, attendance dues and the CSO Catholic Character donation is to be posted to each family for each child at the beginning of Term 1.
2. Updated statements shall be sent at the commencement of each subsequent term.
3. Contributions may be paid annually or in four instalments, by cash, cheque or automatic payment.

BOARD OF TRUSTEES REGISTER

1. The school secretary keeps a record of meeting attendees using the minutes and this is the basis for the annual payments to members of the BOT.
2. Board members will be paid for a maximum of eleven meetings per year at a rate per meeting as established by the Board.
3. The Board may elect to pay specific members an honorarium for their work during the year.
4. Board meeting payments and honorariums will be paid once per year in December except when there is a change of membership. Out going trustees will be paid any monies owing to them when their membership ceases.

Adopted as Policy November 1995
 Reviewed 17 June 1998
 Reviewed 20 March 2002
 Reviewed 2 Sept 2004
 Reviewed 16 August 2006
 Reviewed and amended 15 August 2007
 Reviewed and amended 2 November 2011
 Reviewed and amended 6 November 2013

CHAIRPERSON

SECRETARY