Financial Policy

1. Background

1.1 A Board of Governors sub-committee called FINCOM manages ALL school finances. They meet 9 (February, March, April, May, June, August, September, October and November) times a year for a Finance Committee Meeting. The April, August and October meetings are referred to as Quarterly Review meetings.

FinCom is responsible for the design of the annual budget and the management of all financial matters. They report directly to the elected Board of Governors.

1.2 FinCom comprises:

   a) Head of Finance – Vice Chairman of Board of Governors
   b) One or two members of the Board of Governors
   c) Principal
   d) Director: Admin and Finance
   e) School Bursar

1.3 FinCom devolves day-to-day financial management to the school Principal who is accountable for all expenditure within the approved budget. The Principal holds a regular meeting with the Financial Director whose office manages all financial issues. An annual Audit is carried out on all aspects of the school’s financial management and reports are given to the School Governing Body. The Quarterly Review also carries out random Audits. From time to time an Institutional Audit is carried out by the WCED and report is presented to the FinCom.

2. Receipt of money

2.1 Money is receipted by:

   2.1.1 The Receipting Clerk at the Finance Window. Here it is receipted and a receipt is issued to the payee.
2.1.2 The Class teacher. Parents are requested to place money in a SEALED envelope and write on the envelope exactly what is inside. Teachers then record only what is written on the envelope in the Class Money Book. The Class Money Book and the Envelopes are placed in a secure bag and sent to the secure Money Locker outside Reception. A Receipting Clerks unlocks the Secure Money Locker and removes the Money Bags, receipts any School Fee money money and documents other income in the Money Book so that the Educator has a reference.

2.1.3 NO CHANGE is given. Parents must either send the correct money, or a cheque. The school has facilities for Direct Banking, Debit Card payment and Credit Card payment. It is not possible to issue change. When change is needed – it is placed in an envelope and left at Reception for parents to collect. NO money is sent home with children.

3. Counting and Banking of Money

3.1 The Receipting Clerk receipts the money.

3.2 School Bursar counts money and completes the paperwork for Banking.

3.3 The Banking is carried out by the Banker/Shopper who travels to the bank at different times of the day.

4. Payment of Accounts policy

4.1 All payments are made on Statement.

4.2 Payments are made after a Request to Spend from Budget Form has been completed and

4.3 Handed to the Financial Director who checks the REQUEST against the Budget.

4.4 The EXCO head of a Directorate has to approve the expenditure and sign.

4.5 The Director of Finance approves payments up to R15 000, Principal approves payments over R15 000 unless they are standard payments like Water, Electricity, Paper, Stationery in which case the Director of Finance has permission to approve payment on Statement.

5. Request to Spend from Budget - Policy:

5.1 EXCO Directors are responsible for their allocated budgets

5.2 Grade Heads may request to Spend from Budget, but the Phase Head and EXCO Director must approve this form.

5.3 Requests to Spend from Budgets must be signed by a Grade Head, an EXCO Director and the Financial Director/Principal (who approves that funds are available).

5.4 The Financial Sector may NOT release any funds without prior signed approval from the Principal/Director Finance or Deputy Principal in the absence of the school Principal.

6. Special allowances are made for:
6.1 Principal: The Principal makes use of his **personal Credit Card** in order to purchase approved items. A **Request to Spend from Budget Form** is then completed for payment.

6.2 Staff requesting finance must plan well ahead. No funds will be released without the correct signatures.

7. **PROCESS FOR FINANCIAL CONTROL**

7.1 **Grade Heads wants to buy equipment for classroom:**

   7.1.1 Grade Head completes RTSFB (Request To Spend From Budget) form.
   
   7.1.2 Hands RTSFB form to Phase Head for signing who passes it on to their Director.
   
   7.1.3 Director signs to say it is within Budget.
   
   7.1.4 Director hands RTSFB Form to Director Finance (who checks that funds are available and the claim is within Budget.) This should be done at an EXCO meeting.
   
   7.1.5 Financial Director either approves or passes it on to the Principal.
   
   7.1.6 Non-budget expenses require approval from FinCom. These must be budgeted.
   
   7.1.7 Payments are made once a week and notification sent either by email or SMS.

7.2 **Director wants to purchase an item in excess of R10 000.**

   7.2.1 Obtain three quotes.
   
   7.2.2 Complete a RTSFB Form and attach to quotes
   
   7.2.3 Hand to Financial Director (who checks that funds are available.)
   
   7.2.4 Financial Director brings to Principal for approval if over R15 000 for approval.

7.3 **Teacher requires money in order to carry out a required task**

   7.3.1 Teacher completes a RTSFB Form.
   
   7.3.2 Hand form to a member of their grade Head/Phase Head/Director responsible for the activity.
   
   7.3.3 EXCO Director hands to Financial Director (who checks that funds are available.)
   
   7.3.4 Financial Director brings to Principal is over R15 000
   
   7.3.5 The process can become very tedious and slow. However, when we are responsible for other people’s money, then diligent management of financial resources are essential.

8. General
8.1 The FINCOM carries out a Quarterly Review at the end of each quarter to ensure that policy is carried out diligently and that the budget is accurately applied.

8.2 Each year the external auditor reviews all expenditure and presents a signed report to the Board and WCED.

8.3 Diligent management of financial resources is a vital part of any school.

8.4 The School Governing Body delegates full management of financial resources to an experienced Principal with a high level of proven financial integrity. The School Governing Body does not micro-manage the day-to-day finances in the organisation and expects the Principals to manage expenditure based on Cash-flow first, then Budget. The Principal reports back to the FinCom each month and at the Quarterly Review each Quarter. Audits are regularly carried out and spending is closely tracked by FinCom. Accounts over budget are highlighted and presented.

9. NOTES:

9.1 Any staff member who spends their own money before completing a RTSFB Form and obtaining approval will not be refunded.

9.2 Availability of funds does not depend on budget, but on cash-flow.

9.3 Failure to follow the Policy guidelines will result in a Disciplinary Hearing/Meeting. Both the Board of Governors and WCED take a very strict line on financial mismanagement and fraud.

9.4 Approval of a RTSFB without first checking whether funds are available will result in Disciplinary Action.

9.5 Payments of any funds without the approval of the Director Finance/ Principal or Deputy Principal (when Principal is not available) will result in a Disciplinary Action.

9.6 Teachers who receipt loose money (ie not in an envelope) will be held personally responsible for lost money.

**CURRENT STRUCTURE FOR DELEGATION OF AUTHORITY**

School Governing Body > Principal > Director Finance

Director Finance > School Bursar

School Bursar > Two Receipting Clerks

School Bursar > Banker/Shopper

Specific Job Descriptions of each of the above can be found in their Pers Files

Delegation of Authority to School Principal

The School Governing Body delegates Financial Management of the approved School Budget to the School Principal. Payments may take place on day-to-day running costs if it has been budgeted in the Annual Budget
and there is Cash-flow provision. The Principal reports on all spending at the monthly Finance Committee meeting.

The SGB sub-committee FinCom will review monthly and quarterly expenditure by the Principal and track income and expenditure targets.

Chairman: School Governing Body

Delegation of Authority from Principal to Director Finance

The School Principal delegates day to day Financial Management for all payments less than R15 000 and all monthly budgeted expenses charged on Statement to the Director: Finance. Expenditure may only be approved if it is within Budget and Cashflow makes provision for the expenditure. All payments over R15 000 (except regular monthly expenses charged by Statement) must be approved by the Principal.

Gavin Keller Principal

Delegation of Authority from Finance Director to School Bursar

The Director Finance delegates responsibility for managing the Financial Office. The two Receipting Clerks and the Banker/Shopper will report to the School Bursar. The Bursar will monitor Receipting but be responsible for preparing all Banking. Management of Receipt Books, posting, Bank Reconciliation and liaison with the Accounting Services is delegated to the Bursar.

Jayd MacDonald Financial Director

Updated on Wednesday 17 September and approved by FinCom at their meeting.

This Policy will be presented to GENCO in October 2014.

Phil Cunningham  School Governing Body: Chairman