

# ST JOSEPH'S SCHOOL FINANCIAL MANAGEMENT PROCEDURE



*At St Joseph's School we acknowledge that Catholic Education, centred on a daily encounter with Jesus, is part of a life-long process leading to a full and rewarding life.*

## INTRODUCTION

1. The Board accepts that it has a responsibility to protect the cash resources of the School. The Board has agreed in the fundamental principles of this procedure, and has delegated responsibility for the implementation and monitoring of the procedure to the Principal.
2. The Board requires the Principal as the chief executive and the Board's most senior employee, to implement and manage this procedure. The Principal may, from time to time, further delegate some of their responsibilities, and all such delegations must be attached as appendices to this procedure.
3. The Board agrees that it has a responsibility to ensure that credit card expenditure incurred by the School must clearly be linked to the business of the School. The Board has agreed on the fundamental principles of this procedure and has delegated responsibility for the implementation and monitoring of this procedure to the Principal.
4. This procedure must be read in conjunction with other Board policies and procedures, and the exercising of all authority and responsibilities conferred under this procedure must be in accordance with the Schedule of Delegations, and may not exceed an individual's established level of delegated authority.

## PURPOSES

5. To produce a budget by November for the coming year and present it to the Board for approval.
6. To keep expenditure within budget by means of appropriate procedures and regular monitoring.
7. To ensure all expenditure and commitment of expenditure is approved within the recognised delegations.
8. To table monthly accounts for the Board.
9. To ensure that reports comply with the Public Sector Accounting Standards, and are prepared annually for the auditor appointed by the Audit Office and are made available to the community.
10. To keep records of all financial transactions accurate and up to date.

### **CHEQUE AND CALL DEPOSIT ACCOUNTS**

11. The Board agrees that one account shall be operated for general receipts and payments.
12. The signatories to this account shall be as follows -
  - The Principal – Carmel Brosnahan-Pye
  - The Office Administrator – Angela O’Reilly
  - Learning Leader – Trish McCambridge
  - Learning Leader – Amanda O’Brien
13. All transactions require two signatures from the above mentioned signatories.
14. All electronic payments to creditors require on-line authorisation by 2 signatories.
15. At no time shall the account be operated in overdraft. If the account went into overdraft the Principal shall advise the Board Chairperson immediately.

### **INVESTMENTS**

16. Investments of school funds may only be made in accordance with the terms of the Education Act 1989.
17. Notwithstanding the requirements of Act, no investments may be made in equity stocks or in synthetic money market products (e.g. Forward Rate Agreements and Interest Rate Swaps).
18. Investments may only be made with the written authorisation of the Principal and the Board Chairperson.

### **FUNDRAISING**

19. The Board acknowledges that under the Education Act 1989, 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**

20. All cash received must be paid into the school office and properly receipted. This includes trading income, other local funds receipts and reimbursements for learning materials.
21. All electronic payments are to be receipted and coded appropriately as soon as possible, preferably within one working day of receipt.
22. No cash received can be used to pay accounts in cash.
23. Only delegated staff may handle cash.
24. All receipts must be banked as soon as possible and preferably within one working day of receipt.
25. All cash kept on the premises must be kept secure and under the control of a delegated person.

## **ACCOUNTS FOR PAYMENT**

26. All accounts for payment, other than expense reimbursements, must be supported by a copy of the -
  - official school order form where appropriate
  - invoice, with certification that each item has been received, prices and quantities are correct and the payee details are correct
  - correctly completed details of the electronic payment.
27. No person can sign off two of the documents that comprise the voucher except the order and the invoice. The invoice must be certified by the delegated signatories.
28. 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.
29. By the 20<sup>th</sup> of each month the Office Administrator will collate all invoices and statements for payment.

30. The Office Administrator shall check each statement and take the following action -
- a) Unpaid Accounts Rendered
    - i) If an account rendered has been paid during the previous month and not credited, this is to be checked by the Office Administrator.
    - ii) If an account rendered has been paid late (i.e. after the statement close off date for the previous month) the statement balance is to be amended to ensure that the account rendered is not paid twice).
  - b) Ensure that for each invoice listed on the statement, there is an invoice which has been approved for payment. If an invoice is missing, a copy must be obtained from the creditor.
  - c) Adjust the statement to ensure that the amount paid represents the amount for which an approved invoice is held.
  - e) Prepare a schedule of creditors to be paid showing the appropriate budget codes.
  - f) The Principal carries out a final check before authorising the Office Administrator to make payments.
  - g) A list of payments made each month is to be approved and ratified by the Board of Trustees.
31. The Office Administrator shall check each fortnightly SUE Report against the *'Relief Staffing & Novopay Transactions'* document that records all relief staff payments and staff leave. The SUE Report will then be countersigned by the Principal and Board Chairperson.

#### **PETTY CASH**

32. A petty cash fund of not more than \$100 shall be held.
33. Reimbursement claims from the petty cash funds must be accompanied by a receipt and approved petty cash voucher.
34. A receipt for the actual expense with any unspent cash must be provided to the Office Administrator within 2 working days of the advance.

#### **ACCOUNTING RECORDS**

35. The Principal shall arrange for proper accounting records to be maintained. The records must satisfy all requirements specified in Acts of Parliament, financial reporting standards and other applicable standards.
36. The financial system must be so organised by the Principal that the Principal and Chairperson can sign, without hesitation, the annual Statement of Responsibility as required by Section 155 of the Crown Entities Act 2004.

## PERIODIC AND ANNUAL FINANCIAL STATEMENTS

37. For each calendar month the Principal shall prepare financial reports showing a:
  - Statement of Financial Performance, including comparison to budget
  - summary Statement of Cashflow
  - summary Statement of Financial Position.
38. This report shall be presented at the next meeting of the Board.
39. Any recommendations made to the Board for the purchase of fixed assets, investment and other use of cash resources must refer to the impact on the School's present cash resources and projected cash flows for the next 12 months.

### USE OF CREDIT CARDS Process for Issue of Credit Cards

43. Credit cards should only be issued to staff members after being authorised by the Board.
44. A register of cardholders is to be maintained, **and annexed to this procedure.**
45. The credit card must have a pin number or equivalent security measure, and that pin or equivalent security measure must not be disclosed to any other person.
46. The limits set for credit card use is \$5000 in total. Any variations require Board approval.
47. Prior to the card being issued, the recipient must be given a copy of this procedure and be required to sign it off to signify that they have read and understood it.

### Procedures to be followed when using the Credit Card

48. The credit card is not to be used for any personal expenditure.
49. The credit card will only be used for:
  - payment of actual and reasonable travel, accommodation and meal expenses incurred on School business; or
  - purchase of goods within budget or where prior authorisation from the Board is given.
50. All expenditure charged to the credit card should be supported by:
  - A detailed invoice or receipt to confirm that the expenses are properly incurred on school business
  - For expenditure incurred in New Zealand of value greater than \$50 (including GST), there should also be a GST Tax invoice to support the GST input credit.
51. The credit card statement should be certified by the cardholder as evidence of the validity of expenditure.

52. Authorisation for the expenditure should be obtained on a one-up basis (for example the Principal should authorise any travel by the Learning Leader and the Board Chairperson should authorise any travel by the Principal). Cardholders are not allowed to approve their own expenditure.
53. All purchases should be accounted for within 5 working days of receiving a credit card statement.
54. Any goods returned, must be credited to the card.
55. A copy of the credit card statement is to be presented to the Finance sub-committee for ratification and approval for payment each month. Board Chairperson to countersign statements.

#### **Cash Advances**

56. Cash advances are not permitted except in an emergency.
57. Where cash advances are taken, the cardholder must provide a full reconciliation, with receipts wherever possible, of how the cash was used. Any unspent monies must be returned to the School.

#### **Discretionary Benefits**

58. Any benefits of the credit card such as a membership awards programme are only to be used for the benefit of the School. They are not to be redeemed for personal use.

#### **Cardholder Responsibilities**

59. The cardholder should never allow another person to use the card.
60. The cardholder must protect the pin number or equivalent security measure of the card.
61. The cardholder must only purchase within the credit limit applicable to the card.
62. The cardholder must notify the credit card company and the school immediately if the card is lost or stolen.
63. The cardholder must return the credit card to the School upon ceasing employment there, or at any time upon request by the Board.

Procedure Adoption: 3 November 2020

Next Review Date: 2023

**Signature Section for Prospective Cardholders**

I have read and understood this procedure and agree to abide by it.

Name -----

PLEASE PRINT CLEARLY

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Signed

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Date

**ST JOSEPH'S SCHOOL  
REGISTER OF CREDIT CARD HOLDERS**

<b>Name</b>	<b>Position</b>
Carmel Brosnahan-Pye	Principal
Angela O'Reilly	Office Administrator