

FINANCE POLICY

1 RESPONSIBILITIES:

- 1.1 That the Board of Trustees is responsible for the establishment of policy and for the delegation of operations to the school management. It shall create a structure to co-ordinate all the financial activities of the college.
- 1.2 That annually the Board shall set a budget of income and expenditure to reflect the goals of the Long Bay College Charter.
- 1.3 The Board shall keep proper financial accounts according to such legal requirements as may be required from time to time.
- 1.4 The Board shall present an annual financial statement reviewing all financial accounts of the College which complies with the Public Finance Act 1989.

2 DELEGATION:

- 2.1 The Board Finance Sub Committee shall act on behalf of the Board within general Board policy.
- 2.2 The Principal as chief executive of the Board shall have the responsibility to ensure that proper systems are operating.
- 2.3 Any specific account or group of accounts may have its own spending authority and management system subject to agreement with the Board.

3 CO-ORDINATION:

- 3.1 The raising and expenditure of any money on behalf of the College shall be in line with Board policy and with due regard to short and long term planning goals.
- 3.2 The Board shall use money raised from our community by investing in facilities and activities for the direct benefit of students, and not for general maintenance, servicing, wage or administration costs.
- 3.3 The Board shall record the fees received from international fee-paying students in clearly identifiable accounts, which shall be audited annually. The Board shall also ensure that it maintains sufficient reserves to return any unspent portion of the fees should the need arise. Accordingly fees received from such students shall be accounted as income on a term-by-term basis as courses are delivered, until which time the fees shall be treated as a current financial liability of the school.
- 3.4 The Board shall also arrange suitable cover to insure the Board against:
 - a all expenses, losses, damages and costs incurred by or awarded against the Administrator of the Code of Practice for International Students and claimed by the Administrator from the school;
 - b any liability arising from the activities of accommodation and recruitment agents used by the College in enrolling international fee-paying students.

4 **REPORTING:**

- 4.1 The Board shall establish monitoring and reporting systems to enable regular review, in addition to each statement of Annual Account.

5 **POLICY TARGETS**

- 5.1 **Surplus** – Generate profits after depreciation to ensure real (after inflation) growth in public equity of a minimum of 2% and 3%.
- 5.2 **Working Capital** – Maintain sufficient working capital equivalent to between 45 and 60 days' cash requirements as measured by the Operations Grant plus Locally Raised Funds (net).
- 5.3 **Capital Expenditure** – Ensure Capital Expenditure of at least the level of Depreciation in order to maintain the Fixed Asset base (indicates Lower Capital Expenditure limit).
- 5.4 **Cash Flow** – Ensure positive cash flows by limiting Capital Expenditure to the level of profits before Depreciation (indicates Upper Capital Expenditure limit).

- ◆ This policy is in accordance with National Administration Guideline No.3.
- ◆ This policy is intended to be consistent with the requirements of the Privacy Act, 1993.

New/Reviewed	Tabled	Adopted	Signed
New		17/4/90	
8/97	1/9/97	4/11/97	
8/98	9/98	6/10/98	
20/8/02	3/9/02	1/10/02	By Andrew Stewart, Board Chairperson
May/June 2005	6/05	5/7/05	By Andrew Stewart, Board Chairperson
July 2007	7/8/07	5/9/07	By Richard Griffin, Board Chairperson
15/9/09	6/10/09	3/11/09	By Richard Griffin, Board Chairperson
15/11/11	7/8/12	4/9/12	By Rob Gosling, Board Chairperson
3/11/15	1/3/16	1/3/16	By Robyn van der Sande Chairperson

LONG BAY COLLEGE : FINANCE PROCEDURES

Procedures to accompany the Finance Policy

Tight control on levels of expenditure is required. The following procedures do not prevent spending, they merely ensure that all cash receipts are properly accounted for and all spending is properly considered and represents the best value for community, school and parental funds.

BUDGETS

- 1 The primary control over spending is the budget, prepared annually.
- 2 BUDGET HOLDERS will be appointed by the Principal who will have authority to manage the spending of one or more accounts.
- 3 All spending for the following year should be itemised in the budget.
- 4 Any Capital Expenditure Variation must gain prior approval from the Board of Trustees.
- 5 Specific budget areas include the following:
 - Curriculum – controlled and monitored by Faculty Co-ordinators and Teachers Responsible for Subjects.
 - Student Activity/Field Trip – all trips shall be self-supporting.
 - Property – Budget prepared by Property Manager in consultation with Management/Property Committee.
 -
 - Board of Trustees – Extra-ordinary requests must be approved by the Board of Trustees.
 - Office/Administration – Budget prepared by Office Manager.
 - Canteen – Budget prepared by persons in charge in consultation with Management.
 - Sports/Activities.
 - Overseas Students.
 - Utilities.
 - Staffing.
- 6 Budget Timetable:
 - SEPTEMBER
Budget/spending review on current year.
Objectives for following year activities formulated and recorded.
 - OCTOBER
Draft budgets to meet these objectives prepared and submitted.
 - NOVEMBER
Draft budgets considered and adjusted by Management.
Ordering may proceed for following year with delivery/invoicing after 31 December.
 - FEBRUARY/MARCH
Confirmation/adjustments to budgets once final details of Ministry funds are known.
Proposed budgets for year discussed/approved by Board of Trustees Finance Sub Committee and Board of Trustees.

7 Unspent/Overspent budgets:

- In general no funds are carried forward to the following year unless it is “tagged” money received from the Ministry of Education or other source.
- Those areas which have made a profit or are in surplus from the previous year may have their budgets adjusted accordingly if special purchases are contemplated.
- Those areas which have overspent or made a loss may result in having their following year’s budget adjusted accordingly.

CASH COLLECTION AND PURCHASING PROCEDURES

- 1 Cash Collections:
To be in line with procedure FP1: Cash Collections (attached).
- 2 Purchasing:
To be in line with procedure FP2: Purchasing Procedure (attached).

PAYMENT PROCEDURES

- 1 One cheque account will be used to make payments.
- 2 Payments can be made either by writing out cheques or by electronic funds transfer. In either form, each payment will be effected by two signatories authorised by the Board of Trustees.
- 3 **The steps to be taken in making payments from the cheque account are further detailed in FP3: Payment Procedure.**

COLLECTION OF FEES AND OVERDUE FEES

1. Account statements setting out fees payable shall be sent out to parents/caregivers at least once every school term. Such account statements may also include the school donation and other donations approved by the Board of Trustees such as donation to sports clubs.
2. At the end of the school year management shall take action to recover amounts due including recovery through a Debt Collection Agency.

SPONSORSHIP

Prior notice to the Principal is required before sponsorship is sought for any school activity or group. This is to ensure that a record of sponsorship is maintained and that we do not disadvantage other school activities.

Date Effective: 6 October 1998

FP1: CASH COLLECTIONS

Receipting of school/options fees and other payments made by students

- 1 When paying fees, a paying-in-slip indicating the type of fee(s) paid should be filled in by the payee.
- 2 Cheques received should be stamped "Not Transferable – A/c Payee" to credit of Long Bay College bank account.
- 3 Whenever possible, details of fees paid at the counter will be entered immediately to the student's computer record and a computer-receipt handed over.
- 4 Although students should be encouraged to make payments at the Cash Counter, there will be instances where teachers will initially receive monies, e.g. bus fares for school trips. These monies should be transferred to the Cash Counter within the same working day.

(Such monies and accompanying paying-in-slip-s (or lists) should be sent to the cash counter, ideally by 9.00am, in a large envelope on which the amount sent should be written.)

Receipting of fees paid for special courses, e.g. Music School, Photography Division

- 1 The Division collecting monies will issue receipts to the students.
- 2 The Cash Office will issue a receipt to the Division for the total collected, after reconciling the monies handed in with the Division's receipt book.

Date Effective: 6 October 1998

Receipting of other monies

- 1 All other monies will be received by the Cash Office and a receipt issued.

Banking of Cash Office collections

- 1 Monies collected at the Cash Office will be banked periodically at least once a week after reconciling with the cash book.

FP2: PURCHASING PROCEDURE

Order Forms

- 1 All purchases (with the exception of regular Property Service arrangements and Canteen purchases) should be recorded on an Order Form.
- 2 Order Forms written out after receiving the goods or services, should be annotated "confirmatory".
- 3 Complete details regarding the transaction including the following, must be recorded on the Order:
 - Items ordered
 - Quantity
 - Value
 - Discounts negotiated
 - Special payment terms required.

Brief details of competitive quotes, where obtained (normally for orders exceeding \$250), should be recorded on the "Office" and "Book" copies.
- 4 The distribution of Order Forms will be as follows:

Original:	To supplier
Duplicate:	To office:
	a Immediately, if order value exceeds \$2,000 or special payment arrangements are required.
	b Otherwise at the time of approving the invoice, by stapling to the invoice.
Triplicate:	To be retained in book.
- 5 The Order Number must be quoted by the suppliers on the invoices sent to the office for payment.

Discounts

- 1 As many suppliers will allow discounts to schools, a discount should be requested every time a quotation is obtained or an order placed. If discounts are consistently requested (and the suppliers' responses noted), it would be possible to identify suppliers with attractive pricing policies.

Invoice Settlement Terms

- 1 The College's normal settlement term is "the 20th of the month following date of invoice". This is generally acceptable to most regular suppliers to the education sector.
- 2 Orders requiring faster settlements are to be treated as "exceptional" and the duplicate copy sent immediately to the Office.

Date Effective: 6 October 1998

Coding and approving of invoices for payment

- 1 Invoices received in the Office will be sent to the budget holders for approval.
- 2 The approved and coded invoices (with the office copy of the order attached) should be returned without delay, to effect payments to the suppliers.

Note:

To avoid delays, it is essential that the proper (Numeric Account Code (e.g. 34-2420) be indicated on the invoice. Coding will be reviewed by the Accounting Staff.

Spending limits and dual responsibilities

- 1 Within overall budget approvals, a system of dual responsibility for evaluating and committing high-value expenditure will operate in accordance with the following:

<i>Value of Order</i>	<i>Evaluated and signed by</i>	<i>Approved by</i>
Up to \$2,000	Budget holder	---
\$2,001 - \$10,000	Budget holder	Principal
Over \$10,000	Principal	Finance Sub Committee (evaluation note)

- 2 Orders exceeding \$2,000 should be treated as “exceptional” and the duplicate copies sent immediately to the Office.

Competitive Quotes

- 1 Other than in sole-supplier situations, competitive quotes should be obtained for orders exceeding \$250 (\$500 for Property Services) as per the following:

<i>Value of Order</i>	<i>Minimum quotation requirement</i>
\$251 - \$2,000	Two phone quotes
\$2,001 - \$10,000	Two fax/email/written quotes
Over \$10,000	Three written quotes

- 2 Brief details of the competitive quotes should be recorded on the College's copies of the order form. However, it is recognised that in evaluating quotes, factors other than the price (such as quality, delivery and service reliability) will be taken into account.

FP3: PAYMENTS PROCEDURE

Step	<i>Cheque Payment Procedure</i>	<i>Electronic Payments Procedure</i>
1	Budget holder approves voucher	Budget holder approves voucher
2	Business Manager scrutinises voucher	Business Manager scrutinises voucher
3	Accounts Clerk writes out cheque	Accounts Clerk enters pay information to Gateway
4	Cheque list printed – AP cheques	Cheque list printed –ALL cheques
5	---	Vouchers are “batched” and attached to listing
6	Signatories scrutinise Vouchers/listings	Signatories scrutinise Vouchers/listings
7	Signatories sign cheques	Signatories authorise payments using PIN number
8	Vouchers are “batched”	---
9	Cheques are mailed out	Electronic transfer made through Gateway
10	Cheque information is entered into CBA	Cheque information is entered into CBA (as required)
11	Cheque list circulated to Board of Trustees for approval	Cheque list circulated to Board of Trustees for approval
12	---	Audit-trail within Gateway will identify authorising signatories, batch number, date authorised, etc.
13	Bank statement received and reconciled by Business Manager	Bank statement printed and reconciled by Business Manager