



NEWTON CENTRAL SCHOOL

NAG 4: FINANCIAL AND ASSET MANAGEMENT POLICIES

These policies must be read in conjunction with the School Charter, Mission Statement, Strategic Plan and Over-arching Policy Statement.

Each Board of Trustees is required to

- i) allocate funds to reflect the school's priorities as stated in the Charter;*
- ii) monitor and control school expenditure, and ensure that annual accounts are prepared and audited as required by the Public Finance Act 1989, Education Act 1989 and Crown Entities Act 2004;*
- iii) comply with the negotiated conditions of any current asset management agreement, and implement a maintenance programme to ensure that the school's buildings and facilities provide a safe, healthy learning environment for students.*

PURPOSE – to ensure that the school will meet all financial obligations and that expenditure and management of assets will maximise the benefit to students' learning

The Financial and Asset Management Policies include:

- Financial and Asset Management Policy
- School Donation Policy
- Fundraising Policy
- Property Management Policy
- Sensitive Expenditure, Gifts and Koha Policy
- Travel Policy
- Credit Card Policy
- Theft and Fraud Prevention Policy

The Board requires the Principal, as the Board's most senior employee, to implement and manage the Financial and Asset Management Policies. The Principal may, from time to time, further delegate some of their responsibilities, and all such delegations must be attached as appendices to these policies.

FINANCIAL AND ASSET MANAGEMENT POLICY

Policy Statement

The Board of Trustees has responsibility to:

1. protect the assets of the School
2. ensure accountability for control of school finances
3. report to all interested parties and present accounts for audit
4. ensure efficient use of funds.

Policy Guidelines

1. The principal will each year prepare a budget based on the aims of the development plan and to present the budget to the full Board for approval.
2. Asset purchases shall be made in accordance with good procurement practice.
3. The principal shall have delegated authority to purchase assets within the annual budget provided that the value of any asset is no more than \$15,000.
4. The decision to purchase any asset costing more than \$15,000 shall be made by the Board in consultation with the Principal.
5. The principal shall have delegated authority to dispose of assets with an original purchase price or value of no more than \$5,000.
6. The decision to dispose of any asset costing more than \$5,000 shall be made by the Board in consultation with the Principal.
7. The school will establish clear guidelines, including delegations and accountabilities, for the efficient management of each section of the budget.
8. Appropriate financial management procedures and practices are in line with Public Sector Finance requirements and guidelines set out by the Ministry of Education.
9. Accounts for payment summaries will be presented at each monthly Board meeting and a statement of financial position will accompany this.
10. All accounts held within the school will be monitored.
11. Each financial year a set of accounts will be prepared in a timely and appropriate fashion, including Statements of Financial Position and of Service Performance.
12. An auditor will be appointed for the school.

SCHOOL DONATION POLICY

Policy Statement

The Board of Trustees has responsibility for setting annual donations that are reasonable and affordable for the whanau. There is no requirement for families to give voluntary donations to the school, and in its request for contribution the school will outline the voluntary nature of the donation. Where course fees are legitimately to be charged, parents/caregivers will be notified of such charges prior to the charge being made and detail the purpose of the charges.

Policy Guidelines

1. The suggested family contribution will be set and reviewed annually by the Board of Trustees.
2. This suggested amount will be published communicated to the school community.
3. Although the family contribution is not compulsory all parents/caregivers will be encouraged to support the school and its students in this manner.
4. Parents will be invoiced for the donation on the basis of agreed amounts with the voluntary nature of the contribution clearly outlined.
5. Charges for consumable items, legitimately set, will be invoiced with details of the nature of the charge.

6. The school community will be informed annually of how the family contribution is used.

FUND RAISING POLICY

Policy Statement

The school requires that:

1. all fundraising activities are appropriately controlled.
2. all financial activities comply with standard financial management procedures of the school.
3. appropriate procedures are followed to obtain authority to carry out fundraising on the school's behalf and that practices in fundraising meet set expectations.

Policy Guidelines

1. All funds raised on behalf of students, for school approved activities or for the purchase of materials etc, becomes the property of the school and subject to school financial management processes.
2. All fundraising activities must have the principal's prior approval
3. The number and type of fundraising activities must be limited according to the principal's directions.
4. Any student involved in fundraising within the community during school time must carry the appropriate authorization.
5. Sponsorship is considered as fundraising and must have the approval of the Board.
6. Funds raised shall be managed in accordance with the School's financial and accounting procedures.
7. No separate bank accounts shall be permitted to be held by any fundraising committee, group or individual.

PROPERTY MANAGEMENT POLICY

Policy Statement

The Board of Trustees, in meeting its statutory obligations, will

1. facilitate appropriate long term maintenance of all property, plant and equipment.
2. prepare an annual statement on achievements towards addressing long term maintenance schedules.
3. ensure ongoing preventative maintenance is provided for.
4. ensure the School's physical resources are kept secure and accounted for
5. ensure that the school provides a safe, clean, hygienic facility that is attractive and conducive to teaching and learning.
6. provide appropriate staff facilities for work preparation, classroom delivery, meetings and relaxation.

Policy Guidelines

1. The annual budget will provide for ongoing maintenance to existing plant, equipment and property as well as provide for capital improvement to the school facilities.
2. A long term maintenance Plan will be provided and updated annually and reported to the Board.
3. A programme of preventative maintenance, including checklists will be implemented and reviewed annually.
4. The Board will be provided with regular reports concerning maintenance of assets.
5. All day to day maintenance requirements and management of school property will be delegated to the principal.

SENSITIVE EXPENDITURE, GIFTS AND KOHA POLICY

Policy Statement

The Board of Trustees requires that all use of school resources is clearly linked to the business of the school and does not at any time provide unreasonable and personal benefit from those resources to any individual or group of individuals (staff, students, or others). The school practices manaakitanga in relationship to the school community as part of its business.

Sensitive expenditure includes expenditure and use of resources:

- a) which by its nature may harm the reputation of and trust in the school, whatever its dollar value
- b) that could be seen as giving private benefit to an individual or group of individuals that is additional to the business benefit to the school
- c) that is controversial or considered unusual for the school's purpose
- d) on gifts and koha and other payments to individuals or group of individuals.

Policy Guidelines

Sensitive Expenditure

1. Sensitive expenditure must be subject to a proper prior assessment and made on a one up basis. The assessment must:
 - a) be subject to high standards of probity and financial prudence
 - b) be able to withstand audit and public scrutiny
 - c) have a justifiable business purpose only
 - d) be made in a sound and defensible manner
 - e) be moderate and conservative having regard to the circumstance
 - f) be transparent
 - g) be appropriate in all respects.
2. All sensitive expenditure, gifts and koha (given and received) must be fully accounted for and separately reported to the board.

Giving Gifts and Koha

3. All gifts and koha should be purchased through the School's normal purchase procedures.
4. With respect retirement gifts for staff the following formula acts as a guideline to be used at the Board's discretion:

0.1% of the final year's salary multiplied by the number of years served at the school.]

Examples:

- *Teacher served 8 years at school with final year salary of \$60,000. Multiply \$60 x 8 years. Total \$480.*
- *Deputy Principal served 15 years at school with final year salary of \$80,000. Multiply \$80 x 15 years. Total \$1,200.*
- *Principal served school 15 years with final year salary of \$125,000. Multiply \$125 x 15 years. Total \$1,875.*

[Note: Formula based on "Retirement Gifts For Teachers and Principals: Some Guidelines" NZ Principal, November 2008, page 25]

Receiving Gifts and Koha

5. Gifts and koha should not be accepted if there is concern that their acceptance could be seen by others as an inducement or a reward that might place the recipient under an obligation.
6. Gifts and koha of value less than [\$50] may be kept by the recipient.
7. Gifts and koha of value greater than [\$50] must be given to the school unless the Board agrees an exception.

TRAVEL POLICY

Policy Statement

The Board of Trustees requires that travel expenditure incurred by the school is clearly linked to the business of the school and that:

1. the school obtains an acceptable benefit from the travel when considered against the cost
2. expenses are reimbursed on an actual and reasonable basis upon presentation of tax receipts and
3. staff that are required to travel on business do not suffer any negative financial effect.

Policy Guidelines

1. Domestic travel is subject to approval on a one up basis and international travel is subject to Board approval.
4. Use of private vehicles is to be approved on a one up basis and reimbursement is to be no greater than the mileage rate specified by the Inland Revenue Department.
5. All booking for international and domestic travel is to be conducted through the school's normal purchase procedures (including accommodation, flights and rental cars).
6. Travel insurance is to be purchased for all flights and international travel other than on an exception basis.
7. All travel expenditure is to be moderate and conservative and appropriate in the circumstances.

CREDIT CARD POLICY

Policy Statement

The Board of Trustees has responsibility to ensure that credit card expenditure incurred by the School must clearly be linked to the business of the School.

Policy Guidelines

Issue of Credit Cards

1. The Board of Trustees requires:
 - a) that credit cards should only be issued to staff members after being authorised by the Board
 - b) a register of cardholders should be maintained
 - c) limits set for credit card use should be moderate and conservative and not exceed a cardholder's financial delegation.
 - d) prior to a card being issued, the recipient must be given a copy of this policy and signify in writing that they have read and understood this policy
 - e) updates to this policy must be given to cardholders and the cardholders must signify in writing that they have read and understood this policy.

Use of Credit Card

2. The credit card is not to be used for any personal expenditure.
3. The credit card will only be used for:
 - a) payment of actual and reasonable expenses incurred on School business; or
 - b) purchase of goods where prior authorisation from the Board is given.
4. All expenditure charged to the credit card should be supported by a detailed tax invoice or receipt.
5. The credit card statement should be certified by the cardholder as evidence of the validity of expenditure.
6. Authorisation for the expenditure should be obtained on a one-up basis (for example the Principal should authorise expenditure by the Deputy Principal and the Board should authorise expenditure by the Principal). Cardholders are not allowed to approve their own expenditure.

Cardholder Responsibilities

7. The cardholder should never allow another person to use the card.
8. The cardholder must protect the pin number of the card.
9. The cardholder must only purchase within the credit limit applicable to the card.
10. The cardholder must notify the credit card company and the school immediately if the card is lost or stolen.
11. The cardholder must return the credit card to the School upon ceasing employment there or at any time upon request by the Board.

THEFT AND FRAUD PREVENTION POLICY

Policy Statement

1. The Board has a responsibility to protect the physical and financial resources of the School.
2. The Board has agreed that through the Principal, the School has a responsibility to prevent and detect theft and fraudulent actions by persons who are employed or contracted by the School or who are service recipients of the School.
3. The Board accepts that any investigation into any theft or fraudulent actions will be conducted in a manner that conforms to the principles of natural justice and is procedurally just and fair.
4. The Board, therefore, requires the Principal to establish systems and procedures to guard against the actions of theft and fraud. The Principal is to report such actions to the Board Chairperson as prescribed in the procedures set out below.

General

5. As preventative measures against theft and fraud the Board requires the Principal to ensure that:
 - a) The School's physical resources are kept secure and accounted for.
 - b) The School's financial systems are designed to prevent and detect the occurrence of fraud. All such systems must meet the requirements and standards as set out in the Crown Entities Act 2004 (as amended from time to time) and of generally accepted accounting practice promulgated and supported by the Institute of Chartered Accountants of New Zealand.
 - c) Staff members who are formally delegated responsibility for the custody of physical and financial resources by the Principal are proven competent to carry out such responsibilities and that such persons are held accountable for the proper execution of their responsibilities.

- d) All staff members are aware of their responsibility to immediately inform the Principal should they suspect or become aware of any improper or fraudulent actions by staff, suppliers, contractors, students or other persons associated with the School.
6. In the event of an allegation of theft or fraud the Principal shall act in accordance with the following procedures:
- a) Decide to either immediately report the matter to the New Zealand Police or proceed as outlined in this paragraph.
 - b) So far as it is possible and within 24 hours:
 - i) Record the details of the allegation, the person or persons allegedly involved, and the quantity and/or value of the theft or fraud.
 - ii) Request a written statement from the person who has informed the Principal, with details as to the nature of the theft or fraud, the time and circumstances in which this occurred, and the quantity and/or value of the theft.
 - iii) Decide on the initial actions to be taken including consulting with the person who provided the information and, if appropriate, confidentially consulting with other senior members of staff about the person who is the subject of the allegation.
 - iv) Inform the Board Chairperson of the information received and consult with them as appropriate.
 - c) On the basis of advice received and after consultation with the Board Chairperson, the Principal shall decide whether or not a prima facie case of theft or fraud exists, and if not, to document this decision and record that no further action is to be taken.
 - d) The Principal shall then carry out the following procedures:
 - i) Investigate the matter further;
 - ii) If a prima facie case is thought to exist to continue with their investigation;
 - iii) Invoke any disciplinary procedures contained in the contract of employment should the person be a staff member;
 - iv) Lay a complaint with the New Zealand Police;
 - v) If necessary, commission an independent expert investigation;
 - vi) In the case of fraud, require a search for written evidence of the possible fraudulent action to determine the likelihood or not of such evidence;
 - vii) Seek legal advice; or
 - viii) Inform the Manager, National Operations, Ministry of Education local office and/or the school's auditors.
 - e) Once all available evidence is obtained the Principal shall consult the Board Chairperson. The Board Chairperson may, if they consider it necessary, seek legal or other advice as to what further action should be taken.
 - f) If a case is considered to exist the Principal or a person designated by them shall, unless another course of action is more appropriate:
 - i) Inform the person in writing of the allegation that has been received and request a meeting with them at which their representative or representatives are invited to be present.
 - ii) Meet with the person who is the subject of the allegation of theft or fraud and their representatives to explain the complaint against them.
 - iii) Obtain a verbal or preferably a written response (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present).
 - iv) Advise the person in writing of the processes to be involved from this point on.
7. The Board recognises that supposed or actual instances of theft or fraud can affect the rights and reputation of the person or persons implicated. All matters related to the case shall remain strictly confidential with all written information kept secure. Should any delegated staff member or any other staff member improperly disclose information the Principal shall consider if that

