Maidstone Primary School

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Financial Policy

(Adopted October 2018)

1. **Background**

1.1 The School Governing Body (SGB) manages all school finances. The Financial Committee (FinCom) meets 10 times a year preceding each SGB meeting. Quarterly Reviews are held after every financial quarter.

FinCom is responsible for the preparation of the annual budget and the management of all financial matters. They report directly to the SGB.

1.2 FinCom comprises:

a) Head of FinCom – Treasurer

b) Chairperson of SGB

c) Principal

d) 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. An annual Audit is carried out on all aspects of the school's financial management and reports are given to the SGB. The Quarterly Review also carries out random internal Audits. From time to time an Institutional Audit is carried out and report is presented to the FinCom.

2. Receipt of money

2.1 Money is receipted by:

2.1.1 The Bursar and or/ School secretary at the Bursar's office. Here it is receipted and a receipt is issued to the payee.

2.1.2 The Class Educator. Parents are requested to place money in a sealed envelope and to indicate exactly the intention of such monies. 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 Bursar's office. The Bursar and/ or secretary shall open the secure money bag and remove the class money book, receipt any School Fee money and document other income in the Money Book so that the Educator has a reference. The Educator shall in return acknowledge the payments received for the parents benefit in the "Acknowledgment of monies paid received table" (**Annexure A)**

2.1.3 Parents are reminded to send the correct money as change cannot be issued in all instances. The school has facilities for Direct Banking (eft) if the need is required.

3. Counting and Banking of Money

3.1 The Bursar and/ or secretary receipt the money.

3.2 School Bursar and/ or secretary counts money and complete the paperwork for Banking.

3.3 The Banking is carried out by the signatories of the school bank account, who travels to the bank once a day when required.

4. **Payment of Accounts policy**

4.1 All payments are made on Invoice.

4.2 Payments are made after a Request to Spend from Budget Form has been completed and Handed to the Bursar who checks the request against the Budget.

4.3 The Principal approves payments up to R5 000, Treasurer approves payments over R 5 000 and up to R 15 000, and the SGB Chairperson approves payments in excess of R 15 000, unless they are standard payments like Water, Electricity, Paper, Stationery in which case the Principal has permission to approve payment on Statement.

5. **Request to Spend from Budget - Policy:**

5.1 The Principal is responsible for the allocated budgets

5.2 Educators shall request to spend from Budget, but the Principal must approve this form.

5.3 Requests to Spend from Budgets must be signed by an Educators, the Principal, Chairperson of SGB and the Treasurer (who approves that funds are available).

5.4 The Bursar may NOT release any funds without prior signed approval from the Chairperson of SGB and/ or Treasurer in the absence of the school Principal. (Reference to para 4.3 above)

6. Special allowances are made for:

6.1 Principal: The Principal makes use of his personal funds in order to purchase approved items for school use. A Claim Form is then completed for payment to be reimbursed.

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

7. Processes for Financial Control

7.1 Educator request to purchase equipment/ resources for the classroom:

7.1.1 Educators complete RTSFB (Request to Spend from Budget) form.

7.1.2 Hands RTSFB form to Bursar who hands to Principal.

7.1.3 Principal in consultation with the Bursar signs to approve if within budget.

7.1.4 Non-budget expenses require approval from FinCom.

7.2 Purchases in excess of R5 000.

7.2.1 Obtain three quotes.

7.2.2 Complete a RTSFB Form and attach to quotes

7.2.3 Hand to Bursar (who checks that funds are available.)

7.2.4 Principal brings to Treasurer and/ or SGB Chairman for approval (Reference to para 4.3)

7.3 Educator requires funds 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 HOD responsible for the activity.

7.3.3 HOD hands to Bursar (who checks that funds are available.)

7.3.4 Principal brings to Treasure and /or SGB Chairperson as per the respective mandate limits.

8. General

8.1 The FINCOM carries out a Monthly Review to ensure that policy is carried out diligently and that the budget is accurately applied. (i.e. Debtors Policy is applicable)

8.2 Each year the external auditor reviews all expenditure and presents a signed Annual Financial Statement (AFS) to the SGB.

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 Principal to manage expenditure based on Cash-flow first, then Budget. The Bursar 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.

9. NOTES:

9.1 Any staff member who spends their own money before completing a RTSFB Form and obtaining approval will not be refunded. (Reference to para 6)

9.2 Failure to follow the Policy guidelines will result in a Disciplinary Hearing/Meeting. Both the SGB and the Department of Education (DOE) take a very strict line on financial mismanagement and fraud.

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

9.4 Payments of any funds without the required approval will result in a Disciplinary Action.

9.5 Educators will be held personally liable for all monies received from the learners and that is mislaid while in their possession.

9.6 The process can become very tedious and slow. However, when the Educators are responsible for the Learner's money, then diligent management of financial resources are essential. (Reference to para 7.3)

Adopted on this the _____________ day of _________________________________ 2018.

___________________________________	_____________________________________
Name: SGB Chairman	SGB Signature
___________________________________	_____________________________________
Name: Principal	Principal Signature:

ACKNOWLEDGMENT OF MONIES PAID AND RECEIVED TABLE 2018

(Annexure A)

Date Issued	Item/ Description of Required Payment	Amount Payable	Date Paid	Parent Sign	Educator Sign