

Financial Management

4.1

Rationale

1. In accordance with National Administration Guidelines 3 and 4, and other sources quoted in Section F of the Handbook for Schools (ERO), this school has a commitment to meeting the legislative and regulatory obligations on financial and property matters to:
 - Reflect the School's Charter and Strategic Plan
 - Ensure a safe and healthy learning and working environment
 - Maximise the benefits to students through prudent allocations and control of financial and property assets
 - Provide accurate and current information about the school's finances.

Requirements

1. The Principal and Business Manager will provide an annual budget for Board of Trustees consideration and approval that reflects the goals and priorities in the Strategic and Annual Plans.
 2. In consultation with the Principal and Business Manager the Board will develop and follow:
 - a. procedures for all financial transactions
 - b. a clear system and timeline for developing a budget so all stakeholders can contribute
 - c. a programme for property management (buildings and grounds) (including annually updated 10YA and 5YP)
 - d. a procedure for maintaining and replacing other assets (furniture, equipment and resources)
 - e. a programme for health and safety
 - f. procedures for compliance reporting; annual reports and audit statements.
 3. The BOT seeks the financial support of parents through the voluntary contributions scheme and fundraising activities.
 4. While the BOT is opposed in principle to borrowing money, it will consider each proposal on its merits, provided it conforms to regulatory limitations and gains Ministry approval.
 5. In consultation with the Principal and executive staff, the Board may approve enterprise activities for profit.
 6. Fees for foreign students will be set annually and will comply with any regulatory limits. Such fees will be paid through the school's accounts officer to the Board's funds.
 7. Any major changes to the budget (other than those within the Principal's delegated financial authority) need to be submitted to the BOT for approval.
- Responsibilities of the Business Manager:
- a. Prepare and present monthly accounts to the Board

- b. Monitor the current financial position and be prepared to answer BOT queries on monthly accounts

Responsibilities of the Principal

- a. The Principal's authority to approve expenditure or purchase goods\services will be set annually through the financial delegations at the first board meeting of the year. The Principal will have cheque signing and automatic payment authority in conjunction with the Business Manager up to the limit agreed in the annual delegations. Thereafter a Board member must countersign. Further specific signing authorities may be granted by full board approval. (eg. monthly cleaning contract payments).
- b. The Principal at his/her discretion may withdraw financial delegations from any budget holder at any time without question. It is then his/her delegation to approve their expenditure.
- c. On matters of **Buildings or Grounds development** the Principal will be responsible for implementing action in the priority order agreed by the BOT. As circumstances change throughout the year, priorities may be subject to review on the recommendation of the Principal to the BOT. The Principal retains flexibility of operation to deal with expenditure needs as they arise within budget and subject to the annually delegated limit. The Principal is authorised to engage contractors to a value of the annually delegated limit per contractor per annum for school funded projects.
- d. For Board approved property projects or for approved 5YP projects the Principal and Property and Finance sub-committee has the authority to approve tenders and expenditure up to and within the approved budgets.
- e. Where **Capital Expenditure or Major Maintenance not specifically included in the annual budget** is required, a comprehensive report shall be prepared and presented to BOT. The source of finance will be of major consideration. Once BOT approval is granted and minuted the delegations as above shall apply.
- f. **Investments** will be researched by the Business Manager, approved by the Principal and actioned by the Business Manager. Funds may only be invested with recognised trading banks. Reconciliation of investments will be presented to the monthly Board meeting.

College Cash Reserve

- a. Prudent management requires the setting aside of a Reserve so the College has sufficient funds to meet any unforeseen circumstances. The BOT will annually set\confirm a contingency reserve amount.

Note: More detailed procedures can be found in the Staff Handbook.

Adopted by Board of Trustees: March 2018