

# Cash Management Policy



## Introduction

1. The Board accepts that it has a responsibility to protect the cash resources of the School. The Board has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Principal.
2. In the formulation and approval of this Policy the Board has had due regard to the accepted standards of sound financial management and applied these to the School.
3. The Principal may, from time to time, further delegate some of their responsibilities, and all such delegations must be attached as appendices to this policy.
4. This Policy must be read in conjunction with other Board Policies, and the exercising of all authority and responsibilities conferred under this Policy must be in accordance with the Schedule of Delegations and may not exceed an individual's established level of delegated authority.

## Cheque and Call Deposit Accounts

1. The Board agrees that one cheque account shall be operated for Board general receipts and payments. The only other cheque account permitted shall be for the school's trust funds account.
2. The signatories to this cheque account shall be as follows:
  - the Principal
  - the Associate Principal
  - the three Deputy Principals and
  - one delegated Head of House.
3. All payments for operating expenses shall be authorised by two signatories. All payments for fixed assets and long-term investments are to be approved by the Principal and one other signatory.
4. Under no circumstances is a cheque signatory to sign a blank cheque.
5. All cheques, except those for petty cash reimbursement, must be issued as 'Not Transferable – Account Payee Only'.
6. At no time shall the cheque account be operated in overdraft without permission from the bank and the Ministry if the overdraft exceeds the borrowing limits.
7. Interest bearing deposit account shall be operated to hold cash resources not currently required for operating purposes. This account is only to be operated by the Principal or Business Manager.

## Trust Fund Account

1. A separate bank account and call deposit account shall be used for the trusts funds held by the Board in trust for donor-specified purposes. The terms and conditions for the operation of these accounts shall be the same as for the general operating account referred to above.

## Investments

1. Investments of School funds may only be made in accordance with the terms of Section 73 of the Education Act 1989.
2. Notwithstanding the requirements of Section 73, no investments may be made in equity stocks or in synthetic money market products (e.g. Forward Rate Agreements and Interest Rate Swaps).
3. Investments may only be made with the written authorisation of the Principal and the Board Chairperson.

## Fundraising

1. The Board acknowledges that under Section 73 of 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**

1. All cash and cheques received must be paid into the school office and properly receipted. This includes trading income, other local funds receipts and reimbursements for learning materials.
2. No cash received can be used to pay accounts in cash.
3. Only delegated staff may handle cash.
4. All receipts must be banked as soon as possible and preferably within one working day of receipt.
5. All cash and cheques kept on the premises must be kept secure and under the control of a delegated person.

### **Accounts for Payment**

1. All accounts for payment, other than expense reimbursements and attendance fees, must be supported by a copy of the:
  - official school purchase order form
  - the invoice, with certification by the orderer that each item has been received, prices and quantities are correct and the payee details are correct
  - the correctly completed cheque ready to be signed.
2. 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 person who authorises the expenditure.
3. Expense reimbursements must be certified by the manager of the individual being reimbursed, provided the certifier has delegated authority to sign. 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.

### **Petty Cash**

1. A petty cash fund of no more than \$750 shall be held.
2. Reimbursement claims from the petty cash fund shall not exceed \$50 and must be accompanied by a receipt and approved petty cash voucher.
3. Petty cash advances will only be made for amounts up to \$50. They must have an approved petty cash voucher. A receipt for the actual expense with any unspent cash must be provided within 2 working days of the advance.

### **Accounting Records**

1. 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.
2. The financial system must be so organised by the Principal that the Principal and Chairperson can sign without hesitation the annual Statement of Financial Responsibility as required by Section 155 of the Crown Entities Act 2004.

### **Periodic and Annual Financial Statements**

1. For each BOT meeting the Business Manager shall prepare monthly financial reports showing:
  - statement of Financial Performance, including comparison to budget and
  - a summary Statement of Financial Position.
2. For each report to the BOT the Business Manager shall present a written summary report that describes:
  - key (financial) achievements from the previous month

- expectations for the month ahead and
  - significant matters and/or risks that must be addressed by the School.
3. This report shall be presented to the Finance Committee at their meeting, and tabled at the next meeting of the Board.
  4. Any recommendations made to the Board for the purchase of non budgeted expenditure in excess of \$29,000 must refer to the impact on the School's present cash resources and projected cashflows for the next 12 months.

### **Approval**

1. When the Board approved this Policy it agreed that no variations of this Policy or amendments to it can be made except with the unanimous approval of the Board.
2. As part of its approval the Board requires the Principal to circulate this policy to all staff, and for a copy to be included in the School Policy Manual, copies of which shall be available to all staff. The school policy manual shall also be made available to students and parents at their request. The Board requires that the Principal arrange for all new staff to be made familiar with this Policy and other policies approved by the Board.

Signed for the Board of Trustees



14 May 2015

Date Reviewed