

Appendix 4 – Cash Management Policy

Parnell District School Cash Management Policy

The Board of Trustees (the Board) of Parnell District School (the School) has consulted with staff and parents in the formulation of this Policy (the 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. The Board wishes to record that it sought the advice of a chartered accountant.
- 3) The Board requires the Principal, as the chief executive and the Board's most senior employee, to implement and manage this Policy. 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

- 5) The Board agrees that two cheque accounts shall be operated for Board general receipts and payments. (01 Board of Trustees ; 02 Projects Committee)
The only other cheque account permitted shall be for the school's trust funds account.
- 6) The signatories to this cheque account shall be as follows:
 - the Board Chairperson
 - the BOT Treasurer
 - the Principal
 - the deputy principal
 - the Executive Officer and
- 7) All payments for operating expenses greater than \$2,000 shall be signed by at least one Board member and either the Principal/or the Executive Officer co-sign. Cheques less than \$2,000 to be signed by a Board Member/or Principal and the Executive Officer may co-sign. All cheques for fixed assets and long-term investments are to be signed by the Board Chairperson/or Treasurer and the Principal.
- 8) Under no circumstances is a cheque signatory to sign a blank cheque.
- 9) All cheques, except those for petty cash reimbursement, must be issued as 'Not Transferable – Account Payee Only'.
- 10) 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.

- 11) One at-call 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 Executive Officer, with any transactions reported by the Principal at the next Board meeting.
- 12) Separate at-call deposit accounts shall also be operated for Fixed Asset Replacement and Cyclical Maintenance reserves as specified in the Board's policies for these matters.

Trust Fund Account

- 13) 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

- 14) Investments of School funds may only be made in accordance with the terms of Section 73 of the Education Act 1989.
- 15) 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).
- 16) Investments may only be made with the written authorisation of the Principal and the Board Chairperson/or Treasurer.

Fundraising

- 17) 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

- 18) 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.
- 19) No cash received can be used to pay accounts in cash.
- 20) Only delegated staff may handle cash.
- 21) All receipts must be banked as soon as possible and preferably within one working day of receipt.
- 22) All cash and cheques kept on the premises must be kept secure and under the control of a delegated person.

Accounts for Payment

- 23) All accounts for payment, other than expense reimbursements and attendance fees, must be supported by a copy of the:

- official school 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.
- 24) 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.
- 25) 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.

Accounting Records

- 26) 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.
- 27) 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

- 28) For each calendar month the Principal shall prepare financial reports showing:
- Statement of Financial Performance, including comparison to budget
 - a summary Statement of Financial Position.
- 29) For each month the Principal shall present a written summary report that describes:
- key (financial) achievements from the previous month
 - the level of receipts & payments for the month
 - significant matters and/or risks that must be addressed by the School.
- 30) This report shall be presented to the Treasurer by the 10th working day following the end of the month, and tabled at the next meeting of the Board.
- 31) Any recommendations made to the Board for the purchase of fixed assets, investments and other use of cash resources must refer to the impact on the School's present cash resources and projected cash flows for the next 12 months.

Approval

- 32) 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.
- 33) 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.