

# D4.2 Financial Planning and Condition Policy

## Outcome statement

The school is financially viable, manages risks effectively and resources are targeted to where they make the most difference to outcomes for students.

## Scoping

The board of trustees has overall responsibility for the financial management of the school. The principal is the day-to-day manager of the school and is responsible for achieving legislative requirements and charter/strategic aims and targets within board policy objectives.

The financial viability of the school must be protected at all times, and every practicable effort is made to eliminate the risk of theft or fraud.

## Delegations

The principal, in association with the finance committee, is responsible for recommending an annual operating and capital budget to the board within the timelines specified in the finance committee terms of reference.

The board delegates the day-to-day management of the school's finances and budget to the principal.

The principal is required to ensure robust, clear procedures are in place to safeguard the integrity of financial management.

## Expectations and limitations

Budgeting shall not fail to reflect the annual plan, risk financial jeopardy nor fail to show a generally acceptable level of foresight. The budget should:

- reflect the results sought by the board
- reflect the priorities as established by the board
- comply where the board's requirement is for a balanced budget
- demonstrate an appropriate degree of conservatism in all estimates.

The principal must ensure:

- unauthorised debt or liability is not incurred
- generally accepted accounting practices or principles are not violated
- tagged/committed funds are not used for purposes other than those approved
- more funds than have been allocated in the fiscal year are not spent without prior board approval
- all money owed to the school is collected in a timely manner
- timely payment to staff and other creditors is made
- unauthorised property is not sold or purchased
- all relevant government returns are completed on time
- no one person has complete authority over the school's financial transactions
- when making any purchase:
  - of over \$500, comparative prices are sought
  - of over \$1000 an adequate review of ongoing costs, value and reliability is undertaken
  - of over \$10 000 on a single item, board approval is first sought
- effective systems are in place to meet the requirements of the payroll system.

## Procedures/supporting documentation

Annual Budget  
Cash Management Procedure  
Credit Card Procedure  
Entertainment Procedure  
Finance Procedure  
Giving and Receiving Gifts Procedure  
Theft and Fraud Procedure  
Travel Procedure

## Legislative compliance

Refer to the Ministry of Education website for information on managing school finances and the [Financial Information for Schools Handbook \(FISH\)](#).

## Monitoring

The principal is responsible for financial reporting and demonstrating budget compliance. Where there is non-compliance, variances are to be reported to the board with recommendations on the actions required to meet compliance.

This policy and related procedures will be reviewed by the Review Committee as per the tri-annual review cycle. Recommendations will be brought to the full Board of Trustees. Guidelines for the review can be found in the review Manual

Reviewed: May 2021	Next review: May 2024
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