

# Policy Glendowie School

## FINANCIAL MANAGEMENT POLICY



### **RATIONALE**

- The Board of Trustees is required to "allocate funds to reflect the school's priorities as stated in the Charter" and Strategic Plan.
- The Board of Trustees is required to monitor and control school expenditure and ensure that annual accounts are prepared and audited as required by the current applicable legislation.
- The Board of Trustees will be responsible for the financial control of the income they receive. Their responsibility includes legal and Ministry of Education requirements.
- The Board of Trustees has overall responsibility for the financial management of the school but delegates the day to day management of the school's finances and budget to the Principal.
- The Board may delegate to "the Finance Sub-committee" to monitor and control expenditure regularly and ensure that cash resources are used effectively and efficiently.
- The Principal, in association with the Finance Committee, is responsible for recommending an annual operating and capital budget to the Board.
- The BOT recognize that class sizes are set by management to reflect the funding allocated by the MOE and the additional resourcing provided by the BOT allocated to additional staffing (see Pupil Placement Procedures).
- The Board recognises that the school cannot charge a fee to cover the cost of either tuition or materials used in the provision of the curriculum.
- The Board recognises that the school may request voluntary donations or contribution for payment of trips, camps, tuition materials used in the delivery of the curriculum in order for the curriculum to be delivered in the most effective manner. Without this voluntary funding, programmes may need to be reconsidered and alternative options implemented.

### **PURPOSES**

- To provide a financial plan to achieve the Charter objectives in terms of an annual budget.
- To present the annual accounts for audit.
- To report to the Board on the school finances.
- To ensure that all expenditure and commitment of expenditure, is approved within the Board's delegations.

### **GUIDELINES**

- Each year a draft budget will be prepared by the Principal and Executive Officer. This draft budget will be presented to the Finance Sub-Committee for review and subsequent presentation to the Board in November.
- The final budget will be presented for Board approval by February. It is the Board's responsibility to see that the budget fulfils the schools obligations, under the Charter, M.O.E. requirements and relevant legislation.
- To ensure finances are allocated in the budget for maintenance and capital in accordance with the 10 Yr. Property Plan.

- The budget will allocate at least 0.5% of net income to a contingency category. (The Board may approve a variation to this guideline if surplus funds are brought forward from the previous year).
- As part of budget preparation, plans for maintaining and replacing assets (furniture, equipment and resources) will be provided.
- To ensure guidelines and priorities are taken into consideration whereby funding is identified in the school income budget for a specific purpose e.g. special needs resourcing, the SEG grant, ESOL grant, 5 YA funding.
- The budget will set limits on quarterly spending to ensure adequate funds throughout the year. Curriculum leaders may only spend budget up to their quarterly allowance. Any excess of this amount must gain the approval of the Principal.
- In setting the budget MOE guidelines regarding income allocation may be consulted.
- At Board meetings the finance committee will present current financial accounts showing income vs. expenditure.
- The Finance Sub-Committee will report to the Board on any major inconsistencies within the expectations of expenditure to date.
- The Principal has authority for spending on items up to \$1,500, except if it is itemized in the budget. Items in excess of that must be authorized by the Financial Sub-Committee.
- The Finance Sub-Committee has authority for unbudgeted items up to \$3,000 except in the case of health and safety items whereby these may have to be prioritized immediately. Items in excess of that must have the authority of the Board through formal resolution.
- Significant overspending of a budget area (more than 20%) may be approved by the Finance Sub-Committee or/and Principal if the overspending anticipates funds to be allocated during the year.
- The total budget may not be overspent without the approval of the Board.
- All those responsible for expenditure will use the school Purchase Order Book or School Credit Card (see procedures for curriculum expenditure and Credit Card policy).
- The services of a Financial Service Centre e.g. EdTech will be contracted to prepare and help with monitoring the financial accounts.
- Salaries and wages are paid through the payroll system and sufficient funds are maintained to cover salaries. Salaries will be regularly monitored and signed by the Principal through the S.U.E. Reports and Transaction Reports.
- The actual outputs produced in terms of our area of variance, our audited accounts, and our review of our annual plan objectives are reported annually.
- Each year the Board will set the amount of financial support requested of parents through voluntary donations.
- Fees for International students will be reviewed annually. Fees received in advance will be held in a bank account and recognized as income only after each term of tuition is completed.
- Each year the Board honoraria payments will be set in accordance with the usual guidelines from STA and will include if requested all reasonable childcare and travel costs.
- While the Board 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.

- The Executive Officer will ensure that the annual accounts are prepared for audit within the timeline set by the auditor and in accordance with the auditor general's guidelines. This will be in keeping with the requirements of the Public Finance Act. The annual accounts will become part of the annual report.
- The Finance Sub-Committee will ensure that the Board savings are placed in sound interest bearing accounts.
- Annually the Principal together with the Executive Officer will provide an analysis of any major variance between the schools performance and the relevant aims, objectives, priorities and targets set out in the School Charter.
- All reimbursements to the Principal will be signed off by the Executive Officer, one of the cheque signatories other than the Principal, and by a Board member. The Finance Sub-Committee views all reconciliations at each finance meeting.
- The Executive Officer and Principal will ensure that the annual financial statements are presented to Edtech and the auditor in time so that they will be presented to the Ministry of Education by the required date.

**RELEVANT POLICIES AND DOCUMENTS**

- Fixed Asset Policy
- Credit Card Policy
- International policies
- Curriculum Delivery School Charter
- Relevant Sections in Education Act
- Public Finance Act
- 10 Yr Property Plan
- Credit Cards
- Theft and Fraud Prevention
- Pupil Placement Procedures
- Voluntary Donations Procedure

<b>Approved:</b>	<b>Board of Trustees Meeting</b>
<b>20/03/2018</b>	
<b>Signature of Chairperson :</b>	_____
<b>Reviewed: _30_/_03_/2021_____</b>	