

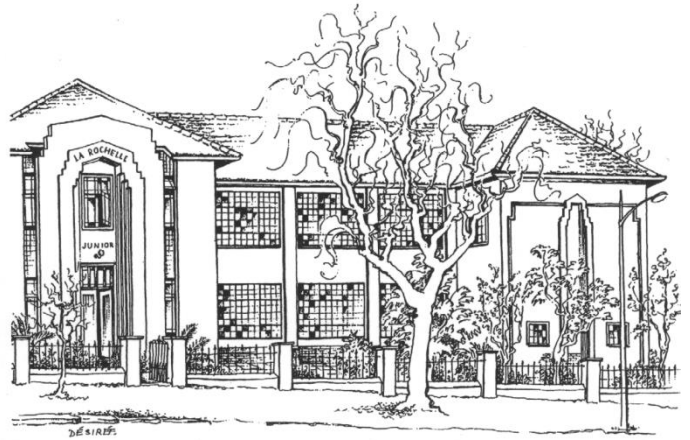
Laer Meisieskool

La Rochelle

Girls' Primary School

Financial policy

Revised on 24 January 2017



The responsibilities of each person involved in finances are defined to avoid duplication or omission of functions and to provide a framework of accountability. This framework will be approved by the Governing Body.

Task	Person Primarily Responsible			
	Principal	Treasurer	Bursar	Secretary
Receiving of money and writing of receipts			Assists	✓
Banking of monies			Assists	✓
Drawing up of documentation for payments			✓	
Authorising of payments	✓			
Writing of cheques			✓	
Recording of receipts and payments in Cash Book			✓	
Petty cash payments and record control of vouchers in petty cash book				✓
Allocation of Petty Cash payments in General Ledger			✓	
Finalising the draft of annual budget		✓	✓	
Presentation of financial reports	✓	✓		
Checking of financial reports regularly		✓	✓	
Control of sports clothes inventory			✓	
Collection of school fees from parents			✓	
Reconciliation of all bank statements			✓	

This document has been adopted by the Governing Body, as the basis for the administration and management of finances. The aim of the policy is to create a framework within which individual members of staff, Governors and other interested parties, can exercise financial management and stewardship in an efficient and effective way.

1. School Fees

- School fees are determined annually when the budget has been approved by the parents at a meeting held usually between October and November of each year
- The payment of school fees is compulsory
- Parents are to sign the Acceptance of School Fees declaration stating that they accept the school fees and choose their payment option
- School fees are payable in advance, however the school does allow for 2 methods of payment as follows:
 - Payments made in full before the end of February will entitle parents to a discount – the percentage discount will be decided by the Governing Body.
 - Ten equal payments starting at the end of January and must be paid in full by 7th of November (not limiting the parent to settle before this date). Any further assistance must be directed to the school's financial administrator
 - Payments can be paid in cash at the school; by debit order or direct deposit into our banking account
- If a learner is admitted to the school during the year, the parent will be responsible for payment of fees for the remainder of the year
- Statements reflecting balances due will be sent to parents once a term.
- Aftercare, music and Grade R classes are voluntary. They do not form part of the school program so these costs are additional. No discount or exemption can be claimed for these.
- School outings are not part of the school program may carry extra costs.

2. Application for Exemption of School Fees. Applications will be assessed in terms of the rules and regulations as stipulated in the South African Schools Act 86 of 1996 and in terms of the Norms and Standard of funding.

- Application forms to be collected by a parent only and signed for at the secretaries office
- In terms of the above act and regulation, the following documents, must accompany this application:
 1. Certified copy of the applicants ID document.
 2. A certified copy of a Marriage certificate if applicable.
 3. A certified copy of the divorce agreement if applicable
 4. A certified copy of the maintenance agreement.
 5. We require *three* months bank statements. A certified copy of the original bank monthly bank statements received from your Bank. Internet Bank statements will not be accepted.
 6. Parents give their consent on the exemption application for the school to do a credit check.
 7. If the parent is self employed, audited financial statements from registered Accountant.
 8. A certified copy of a SARS tax number.
 9. A certified copy of the last tax return submitted to SARS.
 10. If the parents are employed, a certified copy of the last three salary slips.
 11. Should the parents be unemployed, a letter from the Department of Labour indicating the last date of employment and that they are presently unemployed.
 12. A certified copy of all Investments statements held at a registered bank in South Africa.
 13. In the event of the applicant being a pensioner, a certified copy verifying the status as a pensioner and the amount of pension received monthly.
 14. If the applicant is a foster parent, a certified copy of the court order must be included.
 15. If the applicant is widowed, a certified copy of the death certificate of the other parent must be attached.
- ◇ Forms are to be completed and returned in person to the financial administrator and the register will reflect the date of returned application.
- ◇ Upon receipt of the application, the financial administrator will go through the forms to check whether all the relevant information has been filled in and all documentation required has been attached

- ◇ The financial administrator will work through the applications and use the salary scale guidelines as given by the WCED to determine exemption percentage.
- ◇ The members of the School Governing Body reserves the right to verify any document or statement made in an application.
- ◇ Members of the School Governing Body may visit the applicant at his or her residence.
- ◇ In the event of an applicant making a false statement on his/her application form or if her/or her produces *false* documents or evidence, the School Governing Body may lay a charge of fraud against the applicant.
- ◇ Should the personal conditions of the applicant change in any way following a decision of the School Governing Body, the onus is on the applicant to make the School Governing Body aware of these changes so that the application can be revisited to assess whether the decision of the School Governing Body should be altered to suit these new changes.
- ◇ In the event that information comes to the notice of the School Governing Body that the circumstances of the applicant have changed and the School Governing Body has not been informed, the School Governing Body may, at its sole discretion then review the changes and may or may not alter their decision irrespective of how long such decision has been in force.
- ◇ Applications for exemption are for the current school year only. Each year a new application form must be filled out and handed to the school for consideration.
- ◇ School Governing Body or a person so delegated by them, will investigate all information in the submission for the purpose of ensuring that all details, as stated, are true and correct before the application will be considered. Proof must be submitted with all declarations. Should any information be found to be false or of a questionable nature, the application will be rejected in full and no further negotiations will be entered into between the School Governing Body and the applicant.
- ◇ A meeting with the chairperson of the governing body, principal and financial administrator will be held to work through the applications for exemption of school fees in order for a decision to be made.

- ◇ Letters will be sent to the parents advising them of their exemption status, these letters should be sent out by the end of March
- ◇ Financial administrator will then do a journal so that the exemptions can be allocated in the debtors section of the Pastel accounting package

3. Recovery of School Fees

- Reminders will be sent to parents who have not kept payments up to date in writing
- Parents are to put any payment plans in writing and address them to the Governing Body
- The Governing Body will inform parents concerned of their decision in writing
- Final written warnings must be written to parents who do not respond
- Parents who not respond to the warning within 14 days will be handed over for legal action
- Parents are liable for any legal costs
- The Governing Body has decreed that should a parent qualify for exemption (or partial exemption) then those learners may not participate in any extra mural activities given at school which costs extra money, ie. ballet, music, modeling, Experi-buddies etc.

4. Reimbursement of School Fees

- If school fees have been paid in advance and the learner leaves before the end of the school year, a pro-rata re-imbusement could be made upon request
- Learners who leave in the last month of the 4th term are not entitled to a re-imbusement
- Re-imbusement will only be made once all textbooks and any other outstanding items have been returned to the school

5. Administration

The Governing Body aims to achieve best value for money from all its purchases and has established procedures for testing the market, placing of orders and paying for goods and services in accordance with financial regulations.

- File working documents, correspondence from the WCED and Cape Winelands District in specified sections for simple reference
- Verbal competitive quotations will be obtained for expenditure unless the amount exceeds R7000.00 then at least three *written* competitive quotations will be obtained. The financial administrator has delegated authority to accept the lowest quotations, without compromising on quality, for all expenditure below R7000.00.
- All documentation relating to finances must be filed by the financial administrator
- Creditors (that is payments to suppliers with whom we have an account) must be kept in a file and filed alphabetically
- A Purchase Requisition must be filled in for purchases needing to be paid, the requisition must be signed by the person responsible for the budget and then by the principal before being handed over to the financial administrator for payment. The chairman and / or treasurer of the governing body are to sign purchase requisitions for any amount over R7000.00 (seven thousand rand).
- When making an EFT payment the financial administrator must create a batch on the banking system, process payments, print out the batch and then authorise the batch. When this has been done, the payment batch goes to the principal who will then do the final authorising of the batch.
- All cheque payments and EFT payments will be filed in the month the payment of was made and a summary of the month's purchases will be in the front of each month
- Bank reconciliations are done from the internet bank statements on a regular basis and then filed. When the statements arrive at the end of each month they must be filed in the banking file.
- All receipts, payments, journals etc must be done on a regular basis

Organisation of Responsibility and Accountability

- The Governing Body recognises the importance of clearly defining the roles and responsibilities of its committees, the financial administrator and other staff.
- The Governing Body will decide how to spend the budget allocated and funds must be spent for the sole purpose of the school.
- The financial administrator is responsible to the Governing Body for ensuring the effective operation of the finance function. The financial administrator will ensure that :-
 - (i) the roles of each member of staff are clearly defined and the duties of staff concerned with financial transactions will as far as is practicable be distributed to ensure that key tasks are assigned to separate members of staff and that appropriate systems of internal check exist;
 - (ii) systems are in place to ensure that financial control is maintained at all times including procedures in the absence of key staff;
 - (iii) appropriate documentation and records of transactions are maintained to specified standards
 - (iv) The Governing Body recognises the importance of protecting computerised management systems and data held within them and will approve procedures to achieve this objective.

6. Meeting for Financial Committee

- Meetings to be held at least once a term
- Minutes are to be kept

7. Budget Management - To allow effective financial management of resources an annual revenue budget will be prepared. This shall be prepared in a timely manner and in sufficient detail to allow regular meaningful budget monitoring of the school budget and reporting to take place.

- The financial administrator is responsible for preparing the annual revenue budget in sufficient detail for the effective management of the available funds by the Governing Body which is responsible for ensuring that total forecast expenditure does not exceed the available funds. To ensure this can be done, the financial administrator will provide reports to the financial committee and to the Governing Body. As a minimum standard the Governors shall expect to see :-

- The statement should show a comparison of expenditure to the approved budget. Expenditure should be broken down into those sums actually spent, sums already committed and amounts of expenditure which are planned but to which the school is not yet committed. The statements should show, as accurately as possible, the forecast year end position.
- Notes should accompany financial statements providing details of major variations and highlighting areas of uncertainty.
- It is essential that reports produced are accurate as far as is reasonably possible. The financial administrator is responsible for ensuring that quality controls are in place so that reports are of a sound standard. Staff responsible for the production of financial reports must ensure they take appropriate steps to guarantee the reliability of the information.
- The financial administrator may delegate elements of the budget to staff where this is appropriate. These budget holders must operate within the same objectives and controls as those agreed for the school as a whole. Delegated budget holders within the school will be provided with sufficient information to enable them to perform adequate monitoring and control. Such budget holders are to be accountable to the financial administrator who is responsible for ensuring mechanisms exist to enable such delegated budgets to be monitored.
- The governing body, financial committee and the financial administrator will periodically review the provision of financial information to ensure that what is provided remains appropriate.
- Each pre-defined manager draws up their own budget together with the help of the whole team. The budget must be in order of priority
- The budget must be in line with provincial guidelines indicating income and expenditure
- The budget must be aligned to the School Improvement Plan
- The budget to be submitted to the principal for verification
- The budget will then be referred to the financial committee
- The total budget will be presented to the governing body for provisional approval

- A circular must be sent to parents 30 days before the budget meeting – this circular must also state that the budget is available for perusal in the office prior to the meeting
- The proposed budget must be available for scrutiny 14 days prior to the budget meeting
- At the budget meeting with parents the following must occur:
 - ◊ Attendance register must be kept
 - ◊ Minutes of the previous year's budget meeting to be read
 - ◊ Presentation of the new budget
 - ◊ Feedback from parents
 - ◊ A resolution must be passed on the new amount of school fees as per Sect 38 and 39 (1 and 2) of the South African Schools' Act as well as the criteria and procedures for total, partial and conditional exemption. Minutes of the meeting must record the resolution and voting results
 - ◊ Acceptance of budget
- Each manager must monitor the funds of their allocated budget
- The financial committee representative must report on the financial situation at each governing body meeting
- Any urgent expenditure must be handled by the management committee/governing body

8. Submission of Financial Statements

- Statements must be compiled within 3 months after the end of the financial year
- The appointed auditors must audit all statements
- The audited financial statements must be submitted to the WCED within 6 months after the financial year end

9. Payment of Salaries

The Governing Body will approve annually policies relating to the payment of salaries, honoraria, gratuities and other emoluments, and will ensure systems are in place to allow all payroll transactions to be processed correctly and only through a Payroll system.

- Salaries are to be paid by the 25th of each month
- Bonuses will be paid according to the financial position of the school. The financial committee's recommendation must be approved by the governing body
- Temporary staff will be paid per hour at the rate decided yearly by the governing body
- Appropriate statutory duties as required by legislation must be made timeously
- Proper recording keeping must take place. Relevant documentation must be issued each year and the reconciliation submitted to SARS within the prescribed period

10. Transit of Money

- Suitable overnight cover must be arranged if large amounts of money are kept at the school
- The insurance company must be contacted if we are planning to have any outside function (the hockey day for example) outside of the school premises
- Money is to be banked as often as possible in order to alleviate large sums of money on the premises

11. Petty Cash

- The governing body authorised an amount of R3000.00 to be used as petty cash.
- The secretary will keep control of the petty cash, monies will spent will be written up on a petty cash voucher.
- The vouchers will be recorded onto an expense control sheet.

- Once funds have been spent, this control sheet together with the supporting vouchers must be handed over to the financial administrator who will then process the documentation and then reimburse the petty cash.

12. Receipt of Monies / Receipts

- Parents are requested to place money into a sealed envelope and write on the envelope how much is inside and what the payment is for
- Each morning all learners must come to the office when called with any monies so that receipts can be issued
- Receipts are then issued and must be written in ink
- All receipt books must be coded and kept in alphabetical order
- If a receipt has been cancelled – do not remove the receipt from the book
- Carbon paper must be used when issuing a receipt
- The nature of payment must be specified, i.e. whether it is cash or cheque
- Specify the person paying in the money and what it is meant for
- All receipts must be entered into the cashbook on a computerised financial program
- A line must be drawn under the last receipt which is going to be included in the amount which is to be banked
- The amount in the receipt book must correspond to the deposit slip in the deposit book

13. Letting of Assets

- A person who wishes to hire moveable items from the school must sign the register when the item is collected and returned
- The person who hires the hall on a regular basis must sign the contract with the school and pay a quarterly fee
- The school must be indemnified from any claims

14. Fundraising

- All fundraising done by the PTA must be reported to the management of the school
- There must be at least two PTA members present to collect and count monies which have been raised.
- The PTA will then complete a deposit slip, bring it to the office and hand over to the secretary who will make sure that the banking gets done. The deposit slip will then be filed for processing by the financial administrator.

15. Stock Control of Sports Clothes and Inventory of School Assets

- The financial administrator must keep a record on a computerised financial program of all sports clothes stock
- All departmental managers have their own inventory lists of school assets which need to be updated and checked regularly and then handed to the auditors yearly

16. Writing off and Disposing of Assets

- Should the school wish to dispose of any assets, they must get consent from the governing body