



Collegiate Girls ' High School

FINANCE POLICY

CONTENTS

1. Introduction
2. Objectives
3. Composition of the Finance Committee
4. Financial Management of the School and the Responsibilities of various parties
5. Procedure for Managing School's Finances
6. Events/Fundraising
7. Budget Management and Expenditure
8. Accounting System
9. Asset Register
10. Inventory/Asset Register controls
11. Salaries
12. Updating the Policy

1. INTRODUCTION

- 1.1 Collegiate Girls' High School is bound to the efficient handling, processing and administration of all finances in terms of applicable legislation, namely the South African Schools Act (SASA), Act No 84 of 1996, and Eastern Cape Schools Education Act No 1 of 1999 and the East Cape Schools Education Amendment Act 5 of 2004. All legally accepted regulations promulgated there under, will be honoured and executed.
- 1.1 This financial policy aims to give practical effect to South African Schools Act, as well as to ensure that the school fund and movable and non-movable assets are properly managed.
- 1.2 The South African Schools Act has delegated the responsibilities of the management of public schools' finances to the School Governing Body.
- 1.3 The policy applies to the School Governing Body and the Finance Committee in particular and to the entire school management, educator and non-educator staff and the learners in general.

2. OBJECTIVES

To achieve the ultimate goal of financial accountability the financial policy of Collegiate Girls' High School will seek to attain the following objectives:

- 2.1 Efficient collection of school funds and donations

- 2.2 Authorised expenditure
- 2.3 Utilisation of school funds in accordance with the approved school budget
- 2.4 Prudent financial management
- 2.5 Procurement and budget informed and prioritized by need.
- 2.6 Prudent budget approved by the School Governing Body.
- 2.7 Unqualified audit by a registered auditor or accounting officer

3. COMPOSITION OF THE FINANCE COMMITTEE

In terms of section 30 of the South African Schools Act, the School Governing Body is allowed to establish a Finance Committee to which the responsibility of running the finances of the school will be delegated.

Annually, the chairperson of the Finance Committee as appointed by the School Governing Body, shall establish the Finance Committee as follows:

- 3.1 Treasurer as chair of Finance Committee (parent member of the School Governing Body)
- 3.2 the Principal
- 3.3 one educator or parent member of the School Governing Body
- 3.4 one parent member of the School Governing Body OR one co-opted member of the parent body
- 3.5 the School Bursar, who could also act as secretary
- 3.6 if required, an additional co-opted member of either the parent or educator bodies
- 3.7 kept to a minimum of five (5) and a maximum of six (6) members

4. FINANCIAL MANAGEMENT OF THE SCHOOL AND RESPONSIBILITIES OF VARIOUS PARTIES

In broad terms, the School Governing Body commits itself:

- 4.1 To research the needs of the school so as to maintain and improve as necessary its academic standards and platform as well as its campus development needs
- 4.2 To create and maintain systems of authority and control so as fully to record all transactions entered into by the school and to ensure that such transactions are within planned and authorised expenditure.
- 4.3 To deliver reasonable quality schooling to parents and the student body with a fair distribution of the financial burden between parents within the parameters set by the Education Department and the Parent Body.
- 4.4 To take responsibility for the financial administration of the School.

As a statutory body the Governing Body commits itself to the compliance with the South African Schools Act 84 of 1996, namely that:

- 4.5 It acts under guidance from its Finance Committee and its auditors, who ensure compliance with this policy and applicable laws.
- 4.6 The School operates a school fund and administers it in accordance with directions issued by the Head of the Eastern Cape Education Department for the Province.
- 4.7 The School operates a bank account.
- 4.8 All money received by the School, including school fees and voluntary contributions, are paid into the School's bank account.
- 4.9 Money or other goods donated or bequeathed to or received in trust by the School are applied in accordance with the conditions of such donation, bequest or trust.
- 4.10 The School may, with the written approval of the Department of Education, enter into any loan or overdraft agreement so as to supplement the school fund.
- 4.11 The School fund, all proceeds thereof and any other assets of the school are used only for -
 - 4.11.1 educational purposes, at or in connection with the School;
 - 4.11.2 the performance of functions set by it.
- 4.12 Money from the school fund is not paid into a trust or used to establish a trust.
- 4.13 It does not allow the collection of any money or contributions from parents that circumvent or manipulate the payment of compulsory school fees nor the use of such money or contributions to establish or fund a trust.
- 4.14 It prepares a budget each year which shows the estimated income and expenditure of the school for the following financial year.
- 4.15 The annual budget is prepared and approved in accordance with the procedures set out in the Act.
- 4.16 It does not pay or give to a state employee employed in terms of the Employment of Educators Act, 1998 (Act No. 76 of 1998), or the Public Service Act, 1994 (Proclamation No. 103 of 1994), any unauthorised –
 - 4.16.1 remuneration
 - 4.16.2 other financial benefit
 - 4.16.3 benefit in kind
- 4.17 It applies to the state as employer for approval to pay a state employee any payment contemplated above.
- 4.18 It determines and charges school fees in terms of a resolution adopted by a majority of parents in a meeting convened in terms of the Act. Furthermore, it determines which extra-mural activities and tours form part of the curriculum and are included in school fees.
- 4.19 It may by process of law enforce the payment of school fees by parents.
- 4.20 It ensures that the equitable criteria for the total, partial or conditional exemption of parents, who are unable to pay compulsory school fees, be determined in accordance with the criteria

set out in the Exemption of Parents from School Fees regulations (as amended in Government Gazette 39392 of 17 November 2006).

- 4.21 It ensures that the total, partial or conditional exemption of parents from school fees apply to school curriculum activities only and not to extra-mural activities and tours as contemplated in 4.18 above.
- 4.22 It keeps proper and accurate records of funds received and spent by the school and of its assets, liabilities and financial transactions and, as soon as practicable, but not later than six months after the end of each financial year, draws up Annual Financial Statements in accordance with the guidelines presentation to the Department, and management accounts as required by the Department.
- 4.23 It appoints a suitable person, registered auditor or accounting officer in terms of the Auditing Profession Act, 2005 (Act No. 26 of 2005), to audit the records and financial statements.
- 4.24 The financial year of a public school commences on the first day of January and ends on the last day of December of each year.

5. PROCEDURE FOR MANAGING SCHOOL FINANCES

- 5.1 All monies (cash) must be paid to the Bursar.
- 5.2 All monies (cash) received must be receipted. (A receipt could be a ticket issued)
- 5.3 No person – educator, non-educator or learner – may hold over any money until the following day.
- 5.4 Money is secured in the Bursar’s safe until it is banked.
- 5.5 The Finance Committee must determine annually the amount of petty cash that may be kept and the maximum claim that can be made from petty cash.
- 5.6 Payments from petty cash must be supported by vouchers/till slips and authorization for the expenditure.
- 5.7 Separation of functions with respect to EFT payments to suppliers:
 - 5.7.1 The Assistant Bursar loads beneficiaries
 - 5.7.2 The Bursar loads payments
 - 5.7.3 The Principal or Deputy Principal together with the Bursar releases payments

6. EVENTS/FUNDRAISING

- 6.1 Each fundraising event committee must appoint a responsible person to manage monies and inform the Bursar of the name.
- 6.2 All monies are deposited with the Bursar whereafter the latter will issue a receipt to the organizer.

- 6.3 Reimbursements may not be taken from the cash instead of handing it over for depositing into the School fund. Reimbursement must be paid from the School fund following the normal claim system provided there are supporting documents.
- 6.4 For events such as concerts, a specific individual must be assigned responsibility for managing the tickets to ensure the value of tickets sold and those returned equals the value of the total number of tickets printed.

7. BUDGET MANAGEMENT AND EXPENDITURE

- 7.1 Annually the Finance Committee, in conjunction with all stakeholder groups, draws up a draft budget, and submits it to the school governing body before 30 September. The School Governing Body deals with it in terms of its constitution. After a parent meeting has approved the budget, the FC starts to implement it according to prescribed procedures.
- 7.2 Each year the School Principal appoints persons who accept the responsibility of managing the approved budget portfolios. This person is the Budget Administrator who in turn is overseen by the Budget Controller, also appointed by the School Principal.
- 7.3 Each budget administrator receives a copy of the budget as allocated to him/her, on which accurate record must be kept of each and every amount he/she spends with regard to the respective allocated budget.
- 7.4 The procedure for expenditure by the Budget Administrator is detailed in the *Collegiate Girls' High School Procurement Policy*, and the Budget Administrator must comply with this policy.
- 7.5 Should it become evident that the budget will be exceeded, such budget administrator has to report this to the School Principal in good time to enable the Finance Committee to deal with the matter.

8. ACCOUNTING SYSTEM

- 8.1 Based on the School's needs, the School Governing Body determines the accounting system that is to be used.
- 8.2 All accounting records including invoices, delivery notes, bank statements etc. should be retained in hard copy for five years, including the current year, in a secure area.

9. ASSET REGISTER

The School must keep an asset register of all movable and fixed School property.

- 9.1 The asset register must contain the following sections:
 - 9.1.1 Teaching Venues: Furniture and equipment
 - 9.1.2 Offices: Furniture and equipment
 - 9.1.3 Resource Centre: Furniture; Equipment; Books
 - 9.1.4 I.T.

- 9.1.5 Sports Equipment
- 9.1.6 Vehicles
- 9.1.7 Maintenance equipment
- 9.1.8 LTSM (Learning and Teaching Support Material)
- 9.1.9 Musical Instruments, music and other equipment
- 9.1.10 Catering: crockery, cutlery, et al
- 9.1.11 Miscellaneous
- 9.2 All asset registers must be made available on a six-monthly basis to the Finance Committee who may do spot-checks on whether new purchases have been entered into the register.
- 9.3 Each Budget Administrator is responsible for updating the asset register with new acquisitions.
- 9.4 The date of purchase/acquisition, price and/or any guarantee period must be recorded.
- 9.5 Disposal of assets must be done in accordance with the *Collegiate Girls' High School Asset Disposal Policy* and the disposal must be entered into the asset register.

10. INVENTORY/ASSET REGISTER CONTROLS

- 10.1 An annual check on the assets must be undertaken by each Budget Administrator before 30 November.
- 10.2 Each Budget Administrator determines the date and method for such checks.
- 10.3 The check on Teaching Venues could be undertaken by all Educators on the same day.
- 10.4 A written report must be submitted to the Principal before 30 November each year.
- 10.5 The Principal will report on it to the Finance Committee at the following meeting.

11. SALARIES

- 11.1 Salaries are transferred electronically on or before the 25th of each month.
- 11.2 Full particulars of all staff members must be continuously updated.
- 11.3 Where applicable, it must be ensured that PAYE and unemployment insurance (UIF) deductions are made from all salary drawers on a monthly basis. UIF deductions apply to all staff who work 24 hours or more per month, but excludes DoE paid staff.
- 11.4 The following parties must be paid promptly:
 - 11.4.1 the Unemployment Insurance Fund;
 - 11.4.2 tax authorities; and
 - 11.4.3 the Compensation Commissioner (annual payment).
- 11.5 Each person's monthly income and deductions must be fully recorded.
- 11.6 All staff members must be issued IRP5/IB3 certificates at the end of February.
- 11.7 IRP5 reconciliations must also be promptly submitted.
- 11.8 No person will be granted a loan from school funds.

12. UPDATING THE POLICY

The policy will be updated on an annual basis.

SIGNED AT _____ ON THIS _____ DAY OF _____ 2019

SCHOOL GOVERNING BODY CHAIRMAN

SCHOOL PRINCIPAL

SCHOOL GOVERNING BODY TREASURER