

# Plettenberg Bay Primary School / Laerskool Plettenbergbaai



## FINANCIAL POLICY

### 1. INTRODUCTION

- 1.1 The governing body of Plettenberg Bay Primary School (hereinafter referred to as "the School") has decided that the provisions of the South African Schools Act (SASA), Act No. 84 of 1996, and the Provincial School Education Act and all legally accepted regulations promulgated there under, will be honoured and executed.
- 1.2 This financial policy aims to give practical effect to SASA, as well as to regulate the management of finances and school property.

### 2. COMPOSITION OF THE FINANCE COMMITTEE

- 2.1 Annually, the chairperson of the Finance Committee (FC) as appointed by the School Governing Body (hereinafter referred to as "the SGB"), puts together the Finance Committee
- 2.2 Apart from the chairperson, the FC consists of the following members:
  - 2.2.1 the school principal;
  - 2.2.2 the financial officer(s) of the School who could also act as secretary;
  - 2.2.3 a member of the SGB as appointed by the SGB Treasurer
  - 2.2.4 one educator

### 3. BRIEF OF FINANCE COMMITTEE

- 3.1 To draw up an annual draft budget for the following year, and submit it to the SGB before 30 September.
- 3.2 To use the budget as a guide against which income and expenditure control is exercised. The FC obtains authorisation from the SGB to amend the budget in order to cover essential expenditures. Such amendments must be dealt with in line with the requirements of the parent meeting that approved the budget.
- 3.3 Determine the maximum amount for which individual items may be purchased from petty cash (the maximum amount allowed to be drawn for petty cash is currently R1000).
  - 3.3.1 Finance officer to be appointed as the Petty Cash Officer in writing.
  - 3.3.2 Bursar/finance officer issues float amount via cheque.

- 3.3.3 Petty cash cheque recorded in petty cash journal and payments cash book.
- 3.3.4 Petty cash payments may only be effected via authorized petty cash voucher.
- 3.3.5 Issue petty cash only after authorization has been granted.
- 3.3.6 Request support documentation from person/s to whom petty cash paid.
- 3.3.7 Record transaction in petty cash journal.
- 3.3.8 Reconcile cash-on-hand with PC balance in PC journal on a weekly basis.
- 3.3.9 Request replenishment cheque from bursar/finance officer if required.
- 3.4 To consider, and approve or veto fundraising projects in conjunction with supporters/parent committees.
- 3.5 To control and manage the financial matters of the Grade R centre, and ensure that it is run in a profitable manner.
- 3.6 To meet the Tuesday one week prior to the SGB meeting. All meetings must be minuted and an attendance register kept.
- 3.7 To exercise proper control over records of funds received or spent by the School.
- 3.8 To have proper control over records/inventories of all the School's movable and fixed assets.
- 3.9 To establish a proper writing-off procedure as per the WCED Financial Policy for assets, and report on it to the SGB.
- 3.10 To have the financial statements audited on an annual basis before 30 April by an auditor appointed by the SGB, and to submit the audit report to the SGB
- 3.11 To submit the audited statements to the Department of Education (DoE) before 20 June each year.
- 3.12 To ensure that any financial allocation, as the Department from time to time makes available, is claimed by complying with all DoE requirements.
- 3.13 To submit quarterly financial management statements to the SGB

#### 4. PROCEDURE FOR MANAGING SCHOOL FINANCES

- 4.1 The School should have a register for all receipt books in which it is recorded which book is issued to whom.
- 4.2 In the case of cheque payments, ensure that the cheque is not post-dated. If it is, it is kept in the office until it becomes valid.
- 4.3 All monies must be deposited with the financial officer before 11:00 each day, except Fridays when it has to be deposited before short break.
- 4.4 No person may hold over any money until the following day.
- 4.5 Receipts for any School fees must be issued in an official receipt book, and handed to the relevant payer. Please ensure that the amount received corresponds with the amount on the receipt.
- 4.6 Ensure that the carbon paper is placed in the correct spot in the receipt book for the receipt number to correspond with the duplicate number.
- 4.7 Receipts may not be amended in any way. If an error is made when issuing a receipt, the receipt must be cancelled and pasted on the corresponding number in the receipt book. No duplicate may be removed from the receipt book.
- 4.8 Each person depositing money at the office of the financial officers/school secretary must be issued a receipt.
- 4.9 Money sent to the office must be placed in the moneybag that is provided for this purpose to prevent it from falling out or getting lost.
- 4.10 Monies received must be banked once a week on alternate days or when there is an amount of R 8,000.00 or more, whichever happens first.
- 4.11 Money is secured in the school safe until it is banked.

- 4.12 Banking is never done by the same person; nor does it happen at a scheduled time or on a specific day.
- 4.13 The school principal, or such other person whom the FC from time to time appoints for this purpose, is responsible to spot-check and sign the deposit and receipt books.
- 4.14 The school principal or another person appointed for the purpose must see to it that no cheques are rolled over to allow for the immediate detection of possible fraud.
- 4.15 The officer worker who issues receipts in the main receipt book may not make up the bank deposits.
- 4.16 All correspondence must be recorded in the correspondence register.
- 4.17 The total of the main receipt book must correspond with the day's total deposits.
- 4.18 If money gets lost or is stolen from a classroom, the particular educator will be held liable for the repayment thereof.
- 4.19 No-one may exchange for cash or draw a personal or any other cheque.

## 5. EVENTS/FUNDRAISING

- 5.1 The FC appoints responsible persons to manage monies during fairs/fêtes and other events.
- 5.2 All monies are deposited with the financial officer, whereafter the latter will issue a receipt to the organiser.
- 5.3 No expenditure may be paid in cash. All payments shall be done by cheque/EFT

## 6. BUDGET MANAGEMENT

- 6.1 Annually the FC, in conjunction with all stakeholder groups, draws up a draft budget, and submits it to the SGB before 30 September. The SGB 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.
- 6.2
- 6.4.3 the media centre, etc.
- 6.5 The budget holders themselves take charge of their respective allocated budgets.
- 6.6 Each budget manager 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.
- 6.7 Should it become evident that the budget will be exceeded, such budget manager has to report this to the school principal in good time to enable the FC to deal with the matter

## 7. PURCHASES

All purchases will take place in accordance with the Purchasing and Procurement Policy of the School.

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## **8. HANDLING OF CHEQUES / PAYMENTS**

- 8.1 All expenditure and purchases must be paid by means of a cheque/EFT.
- 8.2 All cheques must bear the signature of the principal and one other co-signatory
- 8.3 Apart from the school principal, the SGB annually appoints two or more additional persons as co-signatories.
- 8.4 All cheques must bear the principal's as well as one of the co-signatories' signature. At least two persons must therefore sign cheques.
- 8.5 No cash cheques may be made out.
- 8.6 All cheques must be made out to a person or an institution.
- 8.7 Cheques must be crossed, and the bearer cancelled.
- 8.8 Endorsement of expenditure and the making out of cheques are verified on a cheque requisition form.
- 8.9 Salaries are paid electronically into beneficiaries' bank accounts by the 25th of each month with the exception of December, where the salaries will be paid on an earlier date, as agreed.
- 8.10 Accounts could be paid electronically by prior arrangement.
- 8.11 The financial officer punches in all details of electronic payments, and the school principal and other authorised party approve the payment by means of a special computer code.

## **9. ACCOUNTING SYSTEM**

- 9.1 Based on the School's needs, the SGB determines the accounting system that is to be used.
- 9.2 Systems must be backed up on a weekly basis on alternate hard drives.

## **10. THE FINANCIAL OFFICER**

The financial officer:

- 10.1 implements the accounting system prescribed by the SGB;
- 10.2 keeps accurate weekly record of all income and expenditure;
- 10.3 issues receipts for all monies received;
- 10.4 manages the debit order system;
- 10.5 manages electronic transfers according to the prescribed procedure;
- 10.6 provides the school principal and FC chairperson with a weekly updated trial balance;
- 10.7 keeps record of applications for exemption from school fees, and must submit to an FC meeting a name list and all application details in accordance with the parent meeting resolutions;
- 10.8 keeps record of all parents who receive reminders to pay as well as those who are summonsed;
- 10.9 coordinates the asset registers;
- 10.10 prepares cheques and keeps accurate record of invoices and proof of expenditure;
- 10.11 checks that total expenditure does not exceed the budget;
- 10.12 provides each parent/guardian who does not pay by means of a debit order with a monthly account statement;

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- 10.13 provides parents paying by debit order with a statement at the end of each school term;
- 10.14 on a quarterly basis submits to the principal and FC chairperson a name list of parents in arrears;
- 10.15 prepares FC meeting documentation;
- 10.16 immediately reports any irregularities and deviations to the FC chairperson/SGB representative;
- 10.17 manages petty cash in accordance with the amounts approved by the FC; and
- 10.18 acts as FC secretary.

## **11. ASSET REGISTER**

### **11.1 FORMAT**

- 11.1 The School must keep an asset register of all movable and fixed school property. The SGB must appoint a person at the institution in writing to be responsible for the custodianship of the institution's assets. (Asset Officer)

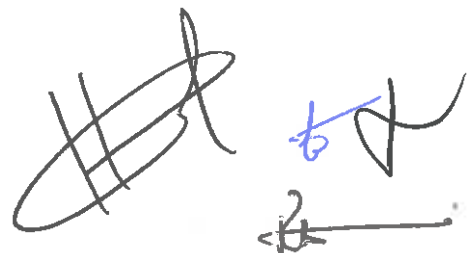
- 11.1.1 The asset register must contain the following sections:

- 11.1.1.1 Furniture: Classrooms;
- 11.1.1.2 Office: Furniture and equipment;
- 11.1.1.3 Media centre;
- 11.1.1.4 Literature;
- 11.1.1.5 Hardware;
- 11.1.1.6 Software;
- 11.1.1.7 Computer centre;
- 11.1.1.8 Sports equipment: A separate register for each sporting code;
- 11.1.1.9 Vehicles;
- 11.1.1.10 Gardening tools;
- 11.1.1.11 Textbooks;
- 11.1.1.12 Music: Instruments and other equipment;
- 11.1.1.13 Catering committee: Cutlery and other equipment;
- 11.1.1.14 Grade R: Furniture, hardware and equipment; and

- 11.1.2 All asset registers must be made available on a quarterly basis to the FC chairperson.
- 11.1.3 He/she shall spot-check whether new purchases have been entered into the register.
- 11.1.4 Each budget manager is responsible for updating the asset register within his/her portfolio.

### **11.2 ACQUISITIONS**

- 11.2.1 All purchases of non-consumable stock must be properly documented in the asset register.
- 11.2.2 The date of purchase/acquisition, price and/or any guarantee period must be mentioned.



### 11.3 WRITE-OFFS

- 11.3.1 Annually before 30 September, each budget manager submits to the FC a list of items recommended to be written off.
- 11.3.2 All write-offs must be motivated in writing.
- 11.3.3 Recommendations must be made on how to deal with the written off items, e.g. items can no longer be serviced, have been destroyed, are dated; items must be donated to an outside institution; items must be sold on tender following approval to alienate as envisaged in Section 58A of SASA, etc.
- 11.3.4 Items must be destroyed under the supervision of the relevant committee chairperson. The aforementioned chairperson must certify in writing that the items have been destroyed.
- 11.3.5 The FC consolidates the different committees' or budget managers' requests, and at the following SGB meeting submits to the SGB a complete list of recommended write-offs.
- 11.3.6 Following the SGB's approval of write-offs, the lists are returned to the respective budget managers. The relevant write-offs are entered into the asset register in red ink, and the original list is filed.

### 12. STOCKTAKING

- 12.1 Stocktaking must be done before 30 September each year.
- 12.2 Each budget manager determines the date and method for such stocktakings.
- 12.3 A written report on the stocktaking must be submitted to the FC chairperson before 30 September each year.
- 12.4 Subsequently, the FC chairperson will report on it to the following SGB meeting.

### 13. SALARIES / CASUAL WAGES

- 13.1 Salaries and casual wages will be transferred electronically
- 13.2 Salaries are transferred on or before the 25th of each month.
- 13.3 Full particulars of all staff members must be continuously updated.
- 13.4 Where applicable, it must be ensured that PAYE and unemployment insurance deductions are made from all salary drawers on a monthly basis.
- 13.5 The following parties must be paid promptly:
  - 13.5.1 the Unemployment Insurance Fund;
  - 13.5.2 tax authorities; and
  - 13.5.3 the Compensation Commissioner.
- 13.6 Each person's monthly income and deductions must be fully recorded.
- 13.7 All staff members must be issued IRP5/IB3 certificates at the end of February.
- 13.8 IRP5 reconciliations must also be promptly submitted.
- 13.9 No person will be granted a loan from school funds.

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## 14. INTERNET BANKING

- 14.1 Protect your password. Never write it down. Keep it in your head.
- 14.2 Never share a password. If another person needs to access your accounts, contact the branch for a more secure and appropriate solution. Use a difficult-to-guess password, and change it occasionally.
- 14.3 Ensure that you have an up-to-date version of a good anti-virus package.
- 14.4 Never open attachments you are uncertain about.
- 14.5 Remember to log off after doing your banking. Never leave your PC on with your password entered.
- 14.6 Check the security certificate of the site you are on. Ensure that the Web address of the site is the same as that which you requested.
- 14.7 Two signatories must sign all authorising paperwork. This includes a print out of internet banking payment screen showing creditor name, account number and amount.
- 14.8 The original invoice must be attached. Two signatories and Principal to sign the payment voucher.
- 14.9 Proper retention of all transaction records relating to accounts such as purchase orders, tax invoices/statements, vouchers, payroll listings and relevant reports.

## 15. AMENDMENTS

This Policy may be amended, supplemented, modified or altered from time to time by the SGB.

SIGNED AT PLETTENBERG BAY ON THIS 12<sup>th</sup> DAY OF MAY 2017.



CHAIRMAN - SGB



SECRETARY - SGB



PRINCIPAL