

## **GROWING IN GRACE CHRISTIAN PRIMARY**

# **FINANCIAL POLICY**

### **1 PRINCIPLES**

- 1.1 The SGB manages school funds within the statutory framework provided, and in accordance with accepted accounting principles and practices.
- 1.2 The SFP is reviewed annually to ensure the Rand values used in the policy are appropriate.
- 1.3 The SFP may be amended by the SGB provided written notification of amendments is provided at least 14 days prior to the SGB meeting at which the matter will be tabled.
- 1.4 Authority for supervision and implementation is delegated to the Principal and the Finance Committee (Fincom).
- 1.5 All parties delegated to perform financial management responsibilities must be authorised in writing to do so by the SGB.
- 1.6 Authorisation is valid until such time that the authorisation is revoked by the SGB.

### **2 APPLICABLE LEGISLATION**

This policy is compiled in accordance with the following legislation and amendments:

- Constitution of the Republic of South Africa (Act 108 of 1996)
- National Education Policy (Act 27 of 1996) and amendments
- South African Schools Act (Act 84 of 1996) and amendments
- Regulations for the exemption of Parents from the payment of School Fees, 2005, as amended
- PGWC Provincial Gazette 5156 of 11 July 1997
- PGWC Provincial Gazette 5161 of 8 August 1997
- The Personnel Administration Measures (PAM) Document
- The Public Service Act, 1994 (Act 103 of 1994)
- The Public Finance Management Act, 1999 (Act 1 of 1999)
- All WCED Circulars pertaining to Financial Management

### **3. RESPONSIBILITIES OF THE SGB**

The SGB is responsible for the matters with financial management implications, specifically the following:

- 3.1 supplementing the resources supplied by the state in order to improve the quality of education
- 3.2 supplementing school income through fund-raising and school fees

- 3.3 administering and controlling the school property and using it to raise funds
- 3.4 employing staff, if required
- 3.5 maintaining and improving the school property
- 3.6 purchasing learning materials
- 3.7 paying for services to the school
- 3.8 establishing and administering the school fund in accordance with directions issued by the HOD
- 3.9 paying all money received by the school into a single school fund bank account
- 3.10 using school funds only for educational purposes and the performance of SGB functions
- 3.11 keeping records of all financial transactions and preparing financial statements
- 3.12 reporting to parents on the finances of the school
- 3.13 submitting the school's audited financial statements to the HOD annually by June 30
- 3.14 keeping an asset register and not alienating any assets without permission
- 3.15 keeping all records safe, with the oversight of the principal
- 3.16 allowing the inspection of the financial records by an interested party
- 3.17 paying extra remuneration to state-paid staff (only with prior approval of the HOD).

#### **4 RESPONSIBILITIES OF THE PRINCIPAL**

- 4.1 assisting the GB with their functions in terms of SASA
- 4.2 supporting and guiding expenditure in consultation with the GB
- 4.3 assisting the GB in keeping proper record of school accounts
- 4.4 administering the process of budgeting for costs and managing the budget if delegated to him/her by the SGB
- 4.5 managing the drawing up and finalisation of the annual financial statements if delegated to him/her by the SGB
- 4.6 advising on textbooks, educational material and equipment to be bought by the GB
- 4.7 supporting the GB with their functions in terms of SASA
- 4.8 ensuring controls are in place and operating for cash collection
- 4.9 knowing the requirements of the *Manual – Basic Financial Systems*

4.10 monitoring compliance

4.11 acting on any non-compliance detected.

## **5 FINANCIAL MANAGEMENT STRUCTURES**

### **5.1 The Financial Committee (Fincom)**

5.1.1 A Financial Committee is established by the SGB. Its duties include, but are not limited to, the

following:

5.1.1 supporting the treasurer in administering his/her duties

5.1.2 drawing up the budget each year

5.1.3 advising on fundraising

5.1.4 advising the SGB on the amount of school fees to be charged

5.1.5 advising the SGB on exemptions from school fees

5.1.6 assisting the financial officer in drawing up annual financial statements

5.1.7 suggesting who should be appointed as auditor.

### **5.2 Duties of the Treasurer**

- serving on Fincom
- overseeing all financial matters of the school and advising on financial matters
- providing a monthly financial report to the SGB
- proposing the budget at the annual budget meeting
- monitoring expenditure and income against the budget.

### **5.3 Other Financial Appointees by the SGB**

#### **5.3.1 The School Finance Officer**

The duties of the SFO include the following:

- overseeing the overall administration of the school's financial matters on a daily basis
- recording of all financial transactions and keeping the principal and the Finance Committee fully informed of financial matters
- disbursing employees' salaries
- creating payments to creditors and other third party beneficiaries
- receipting of income, if the Petty Cash Officer or Debtors' Bursar are not available
- overseeing the maintenance of the cash book of the school
- doing the monthly bank reconciliation statement

- ensuring the completion of quarterly reports
- monitoring the budget against actual income and expenses
- maintaining the various registers
- compiling the annual financial statements
- performing any other delegated and other related tasks required by the Finance Committee.

### 5.3.2 The Petty Cash Officer

The duties of the Petty Cash Officer include, but are not limited to, the following:

starting each month with a petty cash float of R10 000, which is to be kept in a tin, safely locked in a filing cabinet. Only the PCO will have access to a key.

ensuring that a duly authorized voucher is presented before issuing any petty cash payment.

completing a petty cash voucher whenever cash is removed from the tin. As soon as possible, source documents are to be stapled to their appropriate vouchers, as proof of payment.

recording all payments in the Petty Cash Journal and, at the end of the month, balancing the Petty Cash Journal. This information is then captured on the Rise School Management system.

at the end of each month, presenting the Petty Cash Journal, all vouchers with source documents and remaining cash in tin, to the Finance Officer. The Petty Cash imprest will be restored by the Finance Officer for the beginning of the new month. reporting any problems which may arise to the Finance Officer as soon as possible.

if, for any reason, the PCO will be away from school for any length of time, arranging with the Finance Officer for an acting PCO. Both parties must check the amount of cash in the tin, and sign a handing over certificate. The key to the Cash Box is also to be handed over and signed for. On the PCO's return, the process is to be repeated.

following up on outstanding school fees for Grade 10 to 12 students.

assisting with enrolment administration.

**NB:** 1. Under no circumstances must petty cash be lent to any person, for any length of time.

2. If, for any reason, money goes missing from petty cash, it is the personal responsibility of the PCO to replace the missing amount.

3. The PCO may also be called upon to assist with other tasks, within reason, by the Finance Officer. These may include the contacting of parents who are in arrears with school fees payments, as well as the receipting of income.

4. The PCO will also be responsible for the registering of letters at the Post Office from time to time.

### 5.3.3 The Debtors Bursar

The duties of the Debtors Bursar include, but are not limited to, the following:

tracking and reconciling school fee payments

scrutinizing parents' school fee accounts on a regular basis

sending school fee statements to parents on a monthly basis

contacting parents who are in arrears with their school fees payments

sending letters of demand to parents who do not respond positively to telephonic reminders to bring school fees up to date

handing over to debt collectors parents who fail to respond to letters of demand

administering the hiring of the MN Moerat School Field

assisting with the administration of uniform orders

assisting with the administration of exemption applications.

The Debtors Bursar may also be called upon to assist with other tasks, within reason, by the Finance Officer or the Petty Cash Officer.

## **6 BUDGET**

6.1 The annual budget is drawn up in October/November.

6.2 The principal gathers information from all stakeholders, i.e. teachers, departments.

6.3 It is referred to the financial committee which must compile the concept budget.

6.4 The SGB verifies the budget.

6.5 The total budget is then submitted to the governing body for provisional approval.

6.6 In October/November the budget proposal is given to parents for discussion and acceptance.

## **7 SUBMISSION OF FINANCIAL STATEMENTS**

7.1 Statements are compiled within three months after the end of the financial year.

7.2 The auditor examines and approves the statements and issues a certificate of sound financial management.

7.3 The governing body submits the audited statements within six months after the end of the financial year to WCED.

7.4 The statements are presented at a meeting of parents.

7.5 Quarterly Statements (043) must be signed by the treasurer and chairperson of the SGB and submitted to WCED at the end of the first and second semester.

## **8 PAYMENT OF SALARIES (GOVERNING BODY POSTS)**

8.1 Salaries are paid electronically two days before the end of each month or term. The money is available at the end of month. Where possible, if a term ends on a date other than the last working day of the month, the salary will be paid on the last day of term. At the end of the fourth term, salary will be paid no later than the 15<sup>th</sup> of December, unless the term ends on a later date. Educators receive a monthly payslip.

8.2 An annual increase in line with that determined by the Governing Body may be granted, subject to favourable financial conditions.

8.3 An annual bonus may be granted at a rate determined by the Governing Body, subject to favourable financial conditions.

8.4 If exceptional circumstances beyond the control of the School Governing Body exist from time to time, which impact upon the ability of large numbers of parents to pay school fees for any period of time, the SGB may find itself in a position where it is unable to pay salaries in full. In such an event, the SGB will endeavour to make up the shortfall if and when the financial circumstances of the school improve, in that calendar year.

8.5 No loans may be taken against the salary.

## **9 SCHOOL FEES**

9.1 School fees are determined annually before the end of November after the budget has been approved by the parents.

9.2 The payment of school fees is compulsory.

9.3 Non-payment of school fees by parents is handled according to the national Norms and Standards (Exemptions).

9.4 Learners who are admitted to the school during the year are responsible for payment for the remainder of the year.

### **9.5 Methods of payment:**

9.5.1 Stop order

9.5.2 Direct deposit

9.5.3 EFT

## **10. RECOVERY OF OUTSTANDING SCHOOL FEES**

10.1 We encourage all parents to pay monthly in advance over ten months. All fees are to be paid by the end of November.

10.2 Monthly school fees are due by the 3<sup>rd</sup> day of each month.

10.3 All payments made in respect of school fees will be credited to the learner's account.

10.4 Statements will be sent to parents by the debtors' bursar by the 10<sup>th</sup> day of the month notifying them of school fees due.

10.5 The school fees register will be reconciled and checked again on the 13<sup>th</sup> day of each month. If still no payment has been made, the debtors' bursar will call the parents/guardians informing them that their payment has not been made or has been rejected. They will now have until the 15<sup>th</sup> day of the month to make the payment. Should they fail to make payment by then, they will be handed over to debt collectors or credit bureau and parents will be responsible for interest and commission fees incurred.

10.6 The debtors' bursar will reconcile school fees overdue and payments on the 20<sup>th</sup> day of the month, identifying which parents have not made their overdue payment. This list will go to the Finance Committee of the SGB. These parents will be called by the debtors' bursar by the 25<sup>th</sup> day of the month and informed that they have until the end of the month to make the outstanding payment of the school fee. They will also receive the final demand letter informing them of the consequences of failure to pay outstanding school fees. (They will be handed over to a debt collecting agency or credit bureau.)

10.7 If still no payment has been received after reconciliation on the 3<sup>rd</sup> day of the following month, parents who have now missed two monthly payments will be handed over to debt collectors for the full recovery of the school fee for the year.

10.8 If there is still no payment by the 25<sup>th</sup> day of the month, letters will be sent by the Principal to inform parents that they have been handed over to the debt collecting agency. A record must be kept by debtors' bursar.

10.9 In all cases where parents are handed over to the debt collection agency, the collector's cost will be added on to the total amount outstanding.

## **11. RE-IMBURSEMENT OF SCHOOL FEES**

11.1 Learners who have paid the annual school fees in advance but leave the school because of relocation are entitled, on request, to a pro-rata re-imbursement. Under no other circumstances will re-imbursement be allowed. Learners who leave the school in the last month of the last term are not entitled to a re-imbursement.

11.2 Re-imbursement will be arranged only after all the textbooks have been handed in.

## **12 CURRENT ACCOUNT**

12.1 The school has a current account in the name of Growing in Grace Christian Primary at ABSA Bank, Klerksdorp (Branch Code 633556), Account Number 9314625171.

12.2 In the light of the decision by banks to halt transactions by cheque, all payments are to be made via Business Online or, in exceptional cases involving small amounts (less than R1000,00), by cash.

12.3 The relevant original invoice must be submitted when payments are made.

12.4 If the provider of the service/goods does not issue an invoice, the school's voucher must be used for this purpose. No payments are to be made without an invoice or voucher.

### **13 INTERNET BANKING**

- 13.1 Authorisation is required from the Fincom before any payments are made.
- 13.2 All monthly/regular payments will be done via the internet, specifically via the Business Online platform.
- 13.3 Payments are done two days in advance or when accounts are due.
- 13.4 This will be done by the Finance Officer.
- 13.5 The principal releases all payments.
- 13.6 Payments are made by the Finance Officer.

### **14 PETTY CASH**

- 14.1 The Petty Cash amount shall not exceed R10 000,00.
- 14.2 The maximum amount payable out of petty cash to any single entity shall not exceed R1000,00.
- 14.3 The Petty Cash Officer must keep the Petty Cash Register up to date.
- 14.4 The SGB shall decide on a suitable funding level for Petty Cash (Petty Cash Float).
- 14.5 As it becomes necessary to replenish Petty Cash, cash will be drawn via debit card (see 21 below) for the amount equal to the amount of expenses up to that time (imprest system).
- 14.6 Petty Cash vouchers must be completed and authorised before funds are released.
- 14.7 All Petty Cash payments should be authorised by the principal or, in his absence, a Deputy Principal.
- 14.8 The Petty Cash Officer must ensure that he/she receives slips/invoices regarding all payments which should thereafter be attached to the corresponding Petty Cash vouchers.
- 14.9 All Petty Cash vouchers should be uniquely numbered.

### **15 DEBIT CARDS**

- 15.1 Two (2) debit cards issued by ABSA Bank and linked to the school accounts are held in the name of the school, in the person of the Finance Officer and the Treasurer, or any other person nominated by the School Governing Body.
- 15.2 In the light of cheques no longer being used, and where Petty Cash needs to be replenished (see 14.5 above), debit cards may be used to draw cash from an ATM.
- 15.3 Card limits for each card are as follows: daily ATM withdrawals – R5000,00 (five thousand rands); monthly withdrawal – R20000,00 (twenty thousand rands). These limits may be reviewed from time to time.



15.4 Where withdrawals are made, the withdrawal slip is affixed to the Petty Cash Register; where goods are purchased, the transaction slips are attached to the relevant vouchers.

## **16 TRANSIT OF MONEY**

16.1 Money is kept in the school safe. At no stage should the total amount of cash held on the premises exceed R10000. As soon as this amount is reached, the money should be banked.

16.2 The Finance Officer or assigned person and one other person from the Finance Office transport money to the bank regularly. All money for the month must be banked by the end of the month.

## **17 TUCK SHOP**

17.1 Currently, the Tuck Shop is run by the school, with a member of staff having been authorised by the Governing Body to co-ordinate its activities. Procurement is done as set out in 18 below. As far as possible, purchasing should be done online from suppliers who make deliveries.

17.2 A cash float (approved by the Governing Body) must be kept at all times. Control of the daily takings is entrusted to the Tuck Shop co-ordinator. Takings for the month must be paid to the Finance Officer.

17.3 The totalling of the month's takings must be verified by a second person.

17.4 The Finance Officer or a designated person (see 17.1) must keep a separate record for the tuck shop.

17.5 Stock taking must be done at least once per term.

## **18 PROCUREMENT PROCEDURE**

### **18.1 The Tender Process**

18.1.1 Tenders must be called for in the case of all non-routine expenditure, including capital expenditure. The tender procedures to be adopted are as follows:

18.1.1.1 Tenders / quotes must be obtained in writing from at least two, but preferably three, independent suppliers for items exceeding R3000,00.

18.1.1.2 The tenders / quotes for items under R3000,00 should be considered by the principal and SFO or Treasurer.

18.1.1.3 In the case of items exceeding R3000,00 but less than R5000,00, the tenders / quotes must be considered at a meeting of the Fincom.

18.1.1.4 In the case of items exceeding R5000,00, the tenders / quotes must be considered at a meeting of the SGB.

18.1.2 Tenders shall be closed on the date and time stipulated on the tender notice, and no late tenders shall be considered.

18.1.3 In determining the successful tender, approval of the quotation that represents **best value** should be decided upon, to ensure that the school obtains **value for money**.

18.1.4 Acceptance of a tender shall be in writing and either delivered by hand to the successful tenderer or emailed.

18.1.5 Acceptance by the tenderer shall be acknowledged upon receipt.

18.1.6 Once a tender has been accepted, it is binding upon both parties.

18.1.7 The order is then placed. All written quotes are filed.

18.1.8 On delivery of goods, it is the duty of the person responsible for placing the order to check the goods against the order and invoice. The delivery note is signed off. All delivery notes are to be forwarded to the Finance Officer.

18.1.9 Payment is made online to the supplier, or by means of Electronic Funds Transfer. When payment is made as part of an online purchase or via eft, authorisation is obtained from the Finance Officer.

18.1.10 Records are kept, in the form of the filing of invoices. Inventories are issued to relevant parties.

## 18.2 Preferred Suppliers/Existing Accounts

In a case where the school has preferred suppliers, or accounts with suppliers, these are to be reviewed from time to time, to ensure fair competition.

18.3 A Procurement Committee is appointed by the SGB to manage the procurement of goods and services in terms of the provisions of the School's Financial Policy. The **Procurement Committee** consists of the following members:

The Principal

The Deputy Principals

The Treasurer

The Finance officer (elected by SGB)

## 19 RECEIPTS

19.1 All receipts are completed in ink.

19.2 In the event of an error, the word "Cancelled" is written on the receipt, and this receipt remains in the book.

19.3 When a receipt book is presented to a person, she/he signs to acknowledge receipt.

19.4 Carbon paper is used when receipts are issued.

19.5 Entries are then recorded in the cash book.

## **20 FILING**

20.1 All relevant documents are filed in Finance Document Files by the person responsible for Finances, i.e. Finance Officer/Petty Cash Officer/Debtors' Bursar.

20.2 Paid accounts are filed after the relevant payment notification has been received from the bank.

20.3 Accounts are filed according to a system devised by the SFO, according to dates received (recent entries first).

## **21 TRANSPORT ALLOWANCE FOR WORKSHOPS AND SCHOOL RELATED EVENTS**

21.1 Transport allowance for educators and admin staff to workshops or other school related matters will be in line with the AA-rate per kilometre or as otherwise determined by the Governing Body.

21.2 Prior to any trip referred to above, a form (Annexure A below) should be filled in indicating the date and nature of the trip, as well as the destination. The approximate distance should be indicated.

21.3 Authorisation is to be obtained from the principal or his appointed delegate, who will verify the distance.

21.4 Educators travelling to the same venue are encouraged to form a lift club.

## **22 PRIVATE PURCHASES**

No private purchases are made on the school's account.

## **23 USE OF FACILITIES (TELEPHONE, LAMINATION)**

23.1 Income is to be recorded in a separate receipt book by the Finance Officer.

23.2 Such money is banked as 'Stationery: office'.

## **24 LETTING OF ASSETS – MN MOERAT FIELD**

24.1 The field is leased on an annual basis at a rate determined by the SGB.

24.2 Amounts are payable in advance to the Debtors' Bursar, who issues the applicant with a key.

## **25 MEDICAL EXPENSES**

Parents must provide for medical expenses that may occur during school activities.

## **26 SPONSORS**

26.1 Sponsors may be sought for specific events.

26.2 The governing body must be aware of the sponsors.

26.3 The sponsorship must be used to the sponsor's specifications. e.g. food fair, etc.

## 27 DONATIONS

27.1 All donations issued must be approved by the governing body.

27.2 A donations register must be kept.

27.3 A donations receipt must be issued in the case of monetary donations.

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## ANNEXURE A

### SUMMARY OF PAYMENT PROCEDURE

| <b>IN-STORE PURCHASES</b>  | <b>ELECTRONIC FUND TRANSFER</b>   | <b>PETTY CASH</b>  |
|--|---|--|
| <b>AUTHORISATION</b> Finance Officer<br><b>APPROVAL</b> Chairperson/Treasurer/Deputy Principal.<br><b>PAYMENTS</b> Finance Officer/Treasurer | <b>AUTHORISATION</b> Finance Officer<br><b>APPROVAL</b> Principal or, in his absence, Deputy Principal<br><b>PAYMENTS</b> Finance Officer | <b>AUTHORISATION</b> Finance Officer<br><b>APPROVAL</b> Principal or, in his absence, Deputy Principal<br><b>PAYMENTS</b> Petty Cash Officer |

## ANNEXURE B

### AUTHORISATION FOR REIMBURSEMENT IN RESPECT OF WORKSHOPS OR OTHER TRIPS UNDERTAKEN ON SCHOOL BUSINESS

#### FOR OFFICE USE ONLY (COMPLETED BY PRINCIPAL OR DESIGNATED PERSON)

|                              |  |
|------------------------------|--|
| STAFF MEMBER                 |  |
| DATE OF TRIP                 |  |
| PURPOSE                      |  |
| DESTINATION (ACTUAL ADDRESS) |  |
| SIGNATURE                    |  |
| DATE                         |  |

|                            |  |
|----------------------------|--|
| DISTANCE OF SHORTEST ROUTE |  |
|----------------------------|--|

|                        |  |
|------------------------|--|
| AMOUNT QUALIFIED FOR   |  |
| APPROVED/ NOT APPROVED |  |
| SIGNATURE              |  |
| DATE                   |  |