

# Finance Team

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*Finance Policy Review – February 2018*





## BUDGET ALLOCATION POLICY

### **Rationale:**

Targeted resource allocation is essential in ensuring the best possible facilities improvements, resource development and student results are achieved from finite funds.

### **Aims:**

To ensure that resources are used as effectively and transparently as possible.

### **Implementation:**

1. All schools have access to limited funds and resources.
2. Some funds are required to be spent in certain ways or on specific projects. The remaining funds may be spent at the School Council's discretion.
3. A Finance subcommittee of School Council will be coordinated by the principal, and will assist School Council in the formation, prioritisation and monitoring of all budgets.
4. The school's priority programs will attract a high priority when budgets are being decided.
5. Aggregated statistical data will contribute toward decisions of budget priority.
6. Budgets will not be based on historical allocations, but will instead be targeted toward areas of greatest need, priorities and targeted improvements.
7. In the likely event that budget submissions are greater than the funds available, some submissions will need to be reduced, unfunded or require additional locally raised funds.
8. A separate sub-committee will be responsible for establishing a strategy to raise funds locally, they will provide the Finance sub-committee with an anticipated revenue, and the Finance sub-committee will be responsible for recommending the expenditure of the funds to School Council.
9. Annual budgets will be balanced against longer-term school projects such as playgrounds development or significant equipment purchases.
10. The School Council will approve all purchases and allocations, including those to be made from locally raised funds.
11. The principal always retains overall responsibility for the day-to-day financial management, the principal may delegate individual staff members the responsibility of managing specific budgets (eg. Business Manager or Program Leaders)
12. The expenditure of, and outcomes achieved by each budget will be monitored and reported in full to the School Council annually, or more frequently if required.
13. Unspent funds in various budgets will not be 'carried over' to the next year unless they form part of an approved longer term plan to accumulate funds for a specific purpose (eg. OSHC staffing contingencies)

### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.



## CAMPS, EXCURSIONS & SWIMMING PAYMENTS

### **RATIONALE:**

The schools' camps, excursion and swimming programs enable students to further their learning and social skills development in a non-school setting. Camps and excursions may have a cultural, environmental or outdoor emphasis and are an important aspect of the educational programs offered at our school.

### **AIMS:**

1. To provide all children with the opportunity to participate in a sequential camping, swimming and excursion program.
2. To provide shared class experiences and a sense of group cohesiveness.
3. To reinforce and extend classroom learning.
4. To provide a program that delivers skills and knowledge to encourage and promote lifelong involvement in worthwhile leisure pursuits.
5. To provide a program that promotes self-esteem, resourcefulness, independence, leadership, judgement, cooperation and tolerance.

### **IMPLEMENTATION**

1. The programs will be developed sequentially throughout the school.
2. The School Council will ensure that all school camps, swimming and excursions are maintained and at a reasonable and affordable cost, and comply with DET requirements.
3. The school will endeavour to provide parent/guardians with approximate dates and costs associated with the following year's camp, swimming etc.
4. Parent/guardians will be notified of the exact costs and other relevant details of individual camps as soon as practicable.
5. Parent/guardians experiencing financial difficulty, who wish for their children to attend camp, swimming, excursions, will be required to discuss their individual situation with the Principal. The School Principal will make decisions relating to alternative payment arrangements on a case-by-case basis.
6. All families will be given sufficient time to make payments for individual camps, swimming, excursions. Parent/guardians will be sent reminder notices at least a fortnight before the camp departure date reminding them of the need to finalise payment.
7. Any student who has not completed the required payment before the commencement of camp, swimming, excursion, will be unable to participate.
8. Office staff will be responsible for managing and monitoring the payments made by parent/guardians and will provide classroom teachers with detailed records on a regular basis.
9. DET regulations and guidelines to be adhered to at all times
10. Refunds will only be granted in accordance with school's Refund Policy

### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.



## CASH HANDLING POLICY

### **RATIONALE:**

To ensure the school implements internal control procedures to minimise risk and ensure accuracy of data transactions when receiving monies and processing payments.

### **AIMS:**

1. To provide enhanced risk control and security over transactions
2. To provide clear documentation of processes
3. To provide enhanced services to debtors

### **IMPLEMENTATION**

1. A locked, controlled access safe and secure cash drawer, also with controlled access, will be used to prevent any loss of cash from the school premises.
2. Receipts will be entered onto CASES21 when received and original receipt issued stating the purpose of the remittance. In circumstances where this is not possible, a manual receipt can be issued. The receipt book should be reconciled to the CASES21 transactions when entered to ensure all receipts received by the school are banked.
3. No receipt will be altered and no duplicate receipts issued. If an error has been made the receipt should be cancelled and the original of the incorrect receipt attached to the duplicate copy. If a duplicate receipt is requested, the receipt of money will be acknowledged by a typed note on school letterhead, (General Ledger receipts) or by providing a Family or Sundry Debtor Statement showing the receipt of the money.
4. Personal cheques are not to be cashed under any circumstances.
5. Money received in the classroom will be sent to the school administration office in the plastic pocket provided and receipted by administration staff. Receipts are to be printed and returned to the classroom teacher to be returned to the student.
6. Money collected away from the general office is to be handed to the office on the day of receipt unless circumstances make this impracticable.
7. Cash shall not be left in the safe during term holidays
8. Trading operations (OSHC) – money counted by two people (where practicable) and a control receipt issued. Funds then submitted to the general office for reconciliation and banking.
9. Electronic receipts, manual receipts or EFTPOS receipts – individual official receipt issued. Receipts and cash submitted to general office for reconciliation and banking.
10. All documentation to be stored securely.

### **RESOURCES**

1. Provision of up to date CASES 21 software
2. Provision of up to date secure banking software
3. Maintenance and Upgrading of hardware and software as may be required.

### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.



## INTERNET BANKING

### **Rationale:**

Internet banking has become a very common banking practice that provides several distinct advantages, whilst at the same time offering high levels of security and convenience.

### **Aims:**

To utilise the advantages of internet banking for our school whilst simultaneously enhancing banking security, increasing transaction speed, improving convenience and lessening environmental impact.

### **Implementation:**

1. School Council, after carefully considering the costs, benefits, fraud prevention, internal controls, and information privacy implications etc, has authorised the use of internet banking at our school for the following facilities. In doing so, School Council requires that all actions related to internet banking are consistent with DET's '*S385-2007 School Internet Banking Guidelines*'.
2. All payments through internet banking software are simply another form of payment from the school's accounts and consistent with DET requirements, must be authorised by the principal and one other member of council nominated by the council.
3. School Council approves CBA Bank CommBiz as the approved software for all of our internet banking activities.

#### **Direct Debit**

1. A direct debit facility allows an external source eg: a regular supplier to remove funds of a pre-arranged amount from our school's official account on a pre-arranged date. Typical examples may include annual insurance premiums or monthly lease payments. Direct debit may also be used by suppliers to remove irregular amounts from the school as a result of pre-arranged agreements.
2. The School Council requires all suppliers to provide tax invoice/statements to the school prior to direct debiting any funds from the school's account.

#### **Direct Credit**

1. A direct credit facility allows families to make regular payments directly from their bank accounts in order to assist them with making payments to the school. The school can take advantage of the Centrepay system which take automatic deductions from benefits and pays them to the school. Other third party direct credit facilities maybe used to facilitate prompt collection of OSHC fees.
2. The School Council requires that annual budgets take into account the affect of fees for the use of such facilities.

#### **BPay**

1. BPay is a secure electronic banking product identified on a supplier/creditor account with a unique biller code.
2. All of the standard controls and processes related to creating and paying orders are to be met.
3. Whilst it is possible to pay BPay amounts by telephone, our School Council requires that we make BPay payments via the internet.

## **'Pay Anyone' Facility**

- A. This form of internet banking allows the school to pay funds directly into a person's or businesses nominated bank accounts eg: creditors or local payroll employee.
- B. Whilst this facility is particularly convenient and cost effective, it has minimal security. Consequently, internal controls surrounding the process at the school are critical. Such controls include:-
  1. Proper authorisation and approval of both the initial setting up of account details and any subsequent transactions against the account(s). The principal and the previously mentioned School Council nominee only are authorised to use the security token associated with the CommBiz internet banking software.
  2. The proper segregation of duties at all times.
  3. The safe, secure and confidential storage of information and data, including the storage of PIN's and security tokens in the school safe.
  4. Proper retention of all transactions relating to accounts such as purchase orders, tax invoices/statements, vouchers, payroll listings, signed or initialled screen prints and payee details, relevant CASES21 reports etc, including principal signed and dated internet transaction receipts attached to authorised payment vouchers.
  5. The retention of printed payment receipts that display all details of a payment so as to confirm payment details.
  6. Compliance with all bank imposed security measures, limits and requirements.
  7. Prior approval by School Council and minuting of a list of all personnel or creditors (including bank account details and payroll numbers) to be paid via the Pay-Anyone facility.
  8. The provision of printed documentation to the finance committee, School Council and auditors as required.
  9. That alternative procedures using the 'Pay-Anyone' facility exist during periods when the business manager or the principal are absent for an extended period.

This policy is required to be reviewed annually by School Council to confirm/enhance internal control procedures.

### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.



## INVESTMENT POLICY

### **Rationale:**

School Council has a responsibility to manage school funds and in doing so, has a responsibility to invest funds in a manner that generates the maximum interest revenue with institutions that represent low risk.

### **Aims:**

1. To ensure maximum interest returns on low-risk investments.
2. To ensure the cash flow needs of the school are not compromised by the investment of funds into inaccessible accounts.

### **Implementation:**

1. All grants and other payments from the Department of Education are paid into our school's individual 'at call' High Yield Investment Account with exception of OSHC subsidies which are paid into the Official account.
2. These funds, plus locally raised funds, are then transferred into the school's Official Account on a needs basis.
3. School Council, after determining sufficient cash flow to meet the school's needs, must consider whether or not it should leave excess funds in the High Yield Investment Account, or seek other investment opportunities. The Finance sub-committee of school council will monitor and make recommendations regarding investment of targeted funds to school council.
4. School Council must maintain a manual Investment Register for all investments other than the High Yield Investment Account. The register will detail date of lodgement, investment institution, account number, amount invested, deposits & withdrawals, and terms of investment including interest rate, maturity date and interest earned.
5. When considering investment opportunities, school council can only invest funds in financial institutions regulated by the Australian Prudential Regulation Authority and are listed by them as an Authorised Deposit-taking Institution. School Council can only invest in cash management accounts, term deposit accounts, accepted or endorsed bills of exchange, or negotiable, convertible or transferable certificates of deposit.
6. All investment details and changes to investments, including the 'roll over' of existing investments, must be approved and minuted by school council, must be reported to School Council at least annually must and authorised by the principal and a school council delegate.
7. All investments will be made in the name of school council and be reported through CASES21.
8. The cash-flow requirements of the school must be monitored to ensure that there are sufficient funds available to meet commitments.
9. School Council must not deposit money directly into, or make payments directly from an investment account. All receipts and payments must be made via the Official Account with the exception of interest earned and paid directly into an investment account, funds deposited by Department directly into the High Yield Investment Account, and schools with ATO endorsement to operate a gift deductible trust fund (eg school library or building fund).

### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.



## PARENT PAYMENT POLICY

### RATIONALE

This policy is governed by the *Education and Training Reform Act 2006* (the Act) which provides for free instruction in the standard curriculum program to all students in government schools.

Free instruction includes the teaching staff, administration and the provision of facilities in connection with the instruction of the standard curriculum program, including reasonable adjustments for students with disabilities. The standard curriculum program refers to the eight key learning areas – English, Mathematics, Sciences, Humanities and Social Sciences, the Arts, Languages, Health and Physical Education, Technologies, and four capability areas – Critical and Creative Thinking, Intercultural, Ethical and Personal and Social.

The Act also empowers Portarlington Primary School Council to charge parents for items that the school provides or makes available to the student. The items may be categorised as either **Essential Student Learning Items** or **Optional Items**. Portarlington Primary School Council may also ask parents to make a voluntary financial contribution to the school for a stated purpose.

Parent Payments support and enrich the school's learning and teaching program by providing extra learning opportunities with a wider variety of resources and experiences to increase student inclusion, wellbeing and engagement in education. This enables provision of learning opportunities that supplement the standard curriculum, offering extension and enrichment across all levels of learning abilities.

### AIMS

To provide a fair and equitable payment system that supports increased student learning outcomes and supports all families including those experiencing hardship.

### IMPLEMENTATION

#### **Parent Payment Charges**

Parent payment charges are divided into three categories

##### **1. Essential Student Learning Items**

- a) Books
- b) Materials for teaching and learning, activity sheets
- c) Standard art, cooking and technology materials

##### **2. Optional items – for example**

- a) Swimming
- b) Sporting events
- c) Camps and excursions
- d) Incursions for Guest Speakers

#### **Payment arrangements and methods**

Portarlington Primary School offers a wide variety of payment arrangements and methods at the general office:

1. Cash
2. Cheque
3. EFTPOS
4. Centrepay
5. BPay



Portarlinton Primary School is happy to negotiate payment plans to suit individual families. This can be arranged by contacting Principal, Assistant Principal, Student Wellbeing Manager or Business Manager.

### **FAMILY SUPPORT OPTIONS**

1. Second hand and low cost options e.g. second hand uniforms are available
2. Camps, Sports and Excursion Fund (CSEF), available to Health Care Card holders
3. State Schools Relief - *may cover the cost of new school uniforms, shoes, books and more for disadvantaged students. State Schools' Relief only responds to requests from school principals, assistant principals or welfare coordinators. Parents or carers wishing to investigate this option need to make an appointment with the school to discuss their situation.*
4. Contact our Student Welfare Staff for donated items.

### **CONSIDERATION OF HARDSHIP**

Portarlinton Primary School will provide support to parents and students experiencing hardship:

1. Parents can communicate with the Principal, Assistant Principal, Student Wellbeing Manager or Business Manager by phone, email or in person about their financial situation and related difficulties.
2. Information regarding assistance for parents experiencing hardship eg. CSEF & State Schools Relief will be included in enrolment packs and newsletters.
3. Portarlinton Primary School will employ proactive strategies to engage with parents disconnected from the school who may be experiencing hardship, such as discreetly approaching families who may need support and special payment arrangements.
4. Unallocated CSEF will be used to support students experiencing hardship for optional camps and excursions.

### **Communication with families**

1. This policy and its implementation will be communicated to the school community via the school newsletter, website and Compass portal.
2. Parents are encouraged to contact the Principal or Business Manager to discuss any issues or concerns, and /or make general inquiries about charges and payments

### **EVALUATION**

Portarlinton Primary School Council is responsible for monitoring the implementation of this policy; and identifying the factors/measures to be taken into account, such as transparency of processes and engagement with parents. The Finance Committee of School Council will monitor payment of parent charges and report the percentage received in the February Finance Meeting as well as the Financial Summary of the Annual Report. This policy will be reviewed by School Council on an annual basis at the February meeting.

#### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.



## PURCHASING POLICY

### **Rationale:**

The devolution of responsibility for implementation of the approved school budget means that a wide variety of staff members have authority to purchase goods and services on behalf of the school. Such purchases need to be well monitored, need to comply with school expectations, and have to reflect the school's budgetary intentions.

### **Aims:**

To provide an effective and efficient process for purchasing goods identified by school council.

### **Implementation:**

1. The school's limited funds are allocated each year by school council to various budgets for specific purposes.
2. School council's budgeting decisions are made after the principal has sought input from staff.
3. The school's priority programs attract high precedence when budgets are being decided.
4. Whilst the principal always retains overall responsibility for the day-to-day financial management, the principal delegates individual staff members the responsibility of management of specific program budgets.
5. Staff members responsible for expenditure of program budgets will be provided with professional development as required.
6. All purchases from school funds must be made using an official school order form, and will conform with the required Departmental written and verbal quotes and tender thresholds.
7. Whilst a number of staff members will complete official order forms, only staff members approved by school council will have the authority to sign and approve each order.
8. Goods or services that are intended to be ordered that have an inherent health or safety risk may only be ordered consistent with our school's 'OHS- Purchasing' policy.
9. School councils do not have the authority to borrow money so therefore are unable to enter into finance leases, however, an operating lease is similar to a rental agreement where the goods are eventually returned to the lessor, and so Council can enter into such agreements.
10. Goods that arrive at school and have been ordered without an official order form, or ordered by staff who do not have budget authority will be returned to the vendor.
11. Staff will be provided with regular financial reports indicating the expenditure history of their respective budgets and unspent balances.
12. The school's business manager will monitor budgets, will ensure that expenditure does not to exceed budget allocations, and will regularly advise the principal and school council of the status of all budgets.
13. Staff members responsible for budgets will also be responsible for checking goods that arrive against orders, for chasing up discrepancies or back orders, and communicating the results with the business manager.
14. Unspent budget funds will not be carried over to the following year.
15. The expenditure of, and outcomes achieved by each budget will be monitored and reported in full to the school council.

### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.



## PURCHASING CARD POLICY

### **RATIONALE**

Portarlington Primary is committed to delivering the best education, innovative practices and student experience that builds the foundation for a successful life for each student. To facilitate the efficient running of the school and support the strategic goals and priorities, School Council may authorise school based staff to be issued with a purchasing card to purchase goods, services, equipment or material. This card will be a Visa issued by the Westpac Banking Corporation (WBC).

### **AIMS**

To utilise the benefits of a Purchasing Card whilst ensuring the school's procedures and internal controls meet the Department requirements in accordance with Section 14A of the Education Act 1958 Ministerial Guidelines and Directions 1 – 6 of 2008.

### **IMPLEMENTATION**

1. The School Council may authorise the Principal and/or other nominated staff members as Cardholders.
2. A School Purchasing Card Agreement and Acknowledgement form is to be completed by the Cardholder.
3. Current cardholders and credit limits will be reported to the School Council annually.
4. All normal internal controls for use of a purchasing card will be followed with appropriate documentation completed, checked and authorised by approving officers as per Department guidelines.
5. Lost cards are to be immediately reported to the Westpac Bank and appropriate Authorising Officer (School Principal) by the relevant Cardholder.
6. Purchasing cards may be used for online purchasing subject to the usual internal control requirements.

### **REFERENCES**

1. Department School Purchasing Card Guidelines and Procedures (pdf 629.04kb)  
<http://www.education.vic.gov.au/Documents/school/principals/finance/Card%20guidelines%20and%20procedures%20v4.4.pdf>
2. Department Westpac Administration Guide (pdf 456.48kb)  
<http://www.education.vic.gov.au/Documents/school/principals/finance/cardwestpacadmin%20guide%20v1.3.pdf>

### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.



## REFUND POLICY

### **Purpose:**

This policy seeks to ensure compliance with DET financial manual requirements, provide clarity on when refunds apply and the rules for a fair and equitable refund system.

DET Financial Manual for Victorian Government Schools, Version 5, dated May 2011, states:

### **REFUNDS TO PARENT/GUARDIANS:**

Should an event be cancelled, refunds to parent/guardians/guardians are to be made by preparing a credit for the amount to be refunded.

Should a parent/guardian/guardian seek a refund of excursion money paid to the school because of the inability of the student to attend (because of illness) a refund is to be made in accordance with school refund policy by payment to the parent/guardian/guardian and not by cash to the student.

Before a school processes a refund, the original receipt is to be produced or the receipt number identified.

Payment vouchers for the refund of excursion fees should be endorsed with the number(s) of the relevant receipts issued for the original collection of the excursion fees.

### **Rationale:**

The school must ensure that the provision of services for students, (ie excursions/incursions, camps and swimming, OSHC etc) do not incur direct costs to the school, nor cause the school to run at a loss.

If a refund is requested certain guidelines need to be adhered to, as outlined below.

### **Implementation:**

Excursions/Incursions/Camps/Swimming:

The school's Excursion/Incursion Policy does not include any details regarding refunds.

1. Where the school is charged for the provision of a program or service as a bulk cost (for example bus hire) and not per head cost, no refund is able to be given.
2. Where a "per head" fee (for example entry fees to a museum) is charged refunds are able to be given.
3. Where there is a combination of a bulk charge and a "per head" charge in an excursion eg. visit to a zoo, the bus charge is a bulk cost and entry fee is per head cost.
4. Only the "per head" component is able to be refunded. In the event that the school can get a refund from the service provider, this will be passed on.
5. All claims for reimbursements must be made in writing to the principal within 14 days of the event and include a medical certificate
6. Points 3 and 5 to be included on all excursions/camps/visiting groups/services notices where there are charges

### **Evaluation:**

This policy was ratified by the School Council in February 2018

This policy will be reviewed as part of the school's review cycle annually.