

FINANCIAL MANAGEMENT POLICY

RATIONALE

Oratia School is a Crown Entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 2001. Financial statements are required to be prepared in accordance with generally accepted accounting practice in New Zealand applying New Zealand equivalents to International Financial Reporting Standards (NZIFRS) as appropriate to public entities that qualify for differential reporting.

PURPOSE

1. To provide a system for budget allocation that reflects school priorities.
2. To outline systems for monitoring and controlling school expenditure.
3. To allocate responsibilities within the school financial system.
4. To outline the school policy on fixed assets.

GUIDELINES

1. The finance sub-committee consists of the Board of Trustees treasurer, chair, principal, finance manager and Board of Trustees staff representative.
2. The finance manager is responsible to the Board of Trustees treasurer and principal for carrying out those tasks outlined in his/her job description.
3. All staff, but particularly those with budget responsibilities, to make submissions for consideration at the November meeting of the finance sub-committee of the Board of Trustees.
4. It is the responsibility of the finance sub-committee to match submissions against priorities and Strategic Plan and submit a budget for ratification at the November meeting of the Board of Trustees.
5. It is the principal's responsibility, in association with the treasurer and finance manager, to prepare monthly accounts, with regular consultation with an independent financial advisor.
6. The Board of Trustees treasurer will meet with the finance manager and principal on a monthly basis to confer.
7. Staff budget holders will have direct access to the finance manager for up-to-date budget information. Budget holders are required to maintain records of expenditure.
8. The Board of Trustees will budget to meet the Ten Year Maintenance and Asset Plans. These plans will be reviewed and updated on a yearly basis. The finance manager will oversee the financial aspects pertaining to operating the Five Year Property Programme.
9. Detailed notes on methods and systems to do with financial matters can be found in the Financial Procedures Document.

FIXED ASSETS

1. The Board of Trustees require that the value of fixed assets recorded in the Statement of Financial Position is materially correct and that the annual depreciation charge recorded by the school fairly represents the use of the assets over their lives.
2. Items of property, plant and equipment with an individual value in excess of \$500 are to be capitalised on purchase. Class sets, e.g. 30 chairs, will be capitalised as a single item.
3. Fixed assets are valued at historical cost and are not revalued. The initial cost of a fixed asset includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended use. Subsequent expenditure that increases or extends an asset's service potential is capitalised.
4. Bequeathed or gifted assets will be recorded at their fair value.
5. Land and buildings are owned by the Crown and are occupied on the basis of a property occupancy agreement.

National Administration Guideline No. 4

Initiated: November 1997

Ratified: March 2011

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