Financial Management and Control Policy

Help for non-English speakers

If you need help to understand the information in this policy, please contact school office on 51271512 or moe.ps.south@education.vic.gov.au.

Purpose

Effective financial management provides Moe (South Street) Primary School with enhanced educational opportunity and limits the risk of fraud.

Our Primary School will:

- Provide a financially well-managed school that seeks out financial opportunities and makes decisions that are based on the best educational interests of the students.
- Comply with all DET guidelines, Acts and audit requirements.

Implementation:

- It is a requirement under the Education Act 1958 that School Councils use all monies coming into their hands for proper purposes.
- The Business Manager/Principal will liaise with all appropriate school groups to present both individual program budgets and annual budgets for Council approval, and monitor and report to Council as required, expenditure and commitments against approved budgets, unpaid accounts, investments and balances held in school accounts.
- The Business Manager will monitor and report on Student Resource Package reports including current surplus or deficit amounts and anticipated reconciliation balances.
- All revenue and expenditure budgets will be based on the CASES21 chart of accounts, the School will use the CASES21 Accounts Receivable module, and all reports to School Council will be CASES21 generated.
- The Business Manager will be responsible for preparing annual financial statements and records for auditing, as well as provide School Council with annual receipt, expenditure and investment statements for public annual reports.
- The Business Manager/Principal will be responsible for advising School Council on all matters associated with centrally and locally raised funds including the levels of voluntary contributions and levies, sponsorships, Department of Education grants, philanthropic contributions, trusts and local cooperatives.
- The Business Manager will be responsible for managing any investment accounts consistent with School Council's Investment Policy.
- The Business Manager/Principal and School councillors will declare any pecuniary or conflict of interest prior to partaking in any

recommendation, and will be vigilant in providing robust and thorough internal control procedures.

- School bank accounts may only be opened, operated or closed only with the written authority of the School Council.
- The Productivity and Finance sub-committee is actively encouraged to second extra members with additional expertise at times of major projects and to engage consultants when desirable.

Investing

- The Official account, which is to be used for all receipts, payments and investment transfers, is to be maintained at a minimum level to cover immediate commitments.
- All remaining funds to be invested to maximise the best available interest rate.
- All Investment accounts will be linked directly to the official account and all account withdrawals to be via the official account.
- Investment rates of the DET created High Yield account held with Westpac will be monitored and compared with current Term Deposits rates to ascertain which are the better rates for longer term investing.
- An Investment Register is to be maintained and presented to Council for ratification on a Monthly basis. The register will state:

Name of institution
Date of lodgement/withdrawal
Terms of investment – sum, period, rate, maturity date, CASES21 Transaction number and balance of account.

- Interest on term investments to be paid directly to the Investment account when possible and recorded when paid in CASES21 GL receipts.
- The Business Manager is authorised on behalf of the Principal to make necessary transfers between the Official and Investment accounts.
- All investment transactions shall be entered into DET finance system - CASES21.
- The Bank Movements Report and bank reconciliations will be submitted as proof of entry each month.

- Electronics transactions are to be performed strictly in accordance with DET policy.

- The banking process may be reviewed at any time to ensure continued quality of service and competitive investment rates.

  - Council will review the status of the Investment account monthly as part of the Productivity and Finance Committee report.

  - Noted recommendations concerning the Investment account will be recorded as part of the Council or Productivity and Finance Committee minutes.

  - The Investment policy is to be presented to the Council at the start of each year.

  - The School may only invest/hold accounts in APRA (Australia Prudential Regulation Authority) banks or institutions.

Centralised Treasury Investment Requirements

As part of the State's approach to financial risk management, the Government has established the Treasury Corporation of Victoria ('TCV') and Victorian Funds Management Corporation ('VFMC') as centralised agencies to manage the borrowing, investing and financial market activities of public sector entities which include government schools.

Government schools are required to undertake all investing with TCV or VFMC subject to the following exceptions:

- where the investment is cash on hand in a transactional bank account with an Authorised Deposit-taking Institution (ADI);
- where a Public Sector Agency is operating a bank overdraft as part of its normal transactional banking operations;
- where amounts invested by the Public Sector Agency with an ADI, excluding cash on hand in a transactional bank account, do not in aggregate exceed $2 000 000;
- where, following consultation with the Public Sector Agency's portfolio Minister, the Treasurer has in writing approved otherwise.

EFTPOS

- School Council will approve the use and number of EFTPOS facilities in the

School.

- Transaction charges will be paid for by the School as an administration cost.
- EFTPOS machines will be kept in a secure environment in the School Offices to limit their access to non-authorised users. Each EFTPOS machine will be connected to the bank via phone line and not through the internet.
- Staff members authorised to process transactions on EFTPOS facilities will be minuted through School Council and listed in an EFTPOS register.
- Staff members authorised to use the EFTPOS machines will have the policy made available to them and be sufficiently trained in the operation of the machines.
- "Cash Out" is unavailable with School EFTPOS facilities.
- All EFTPOS transactions will be processed though the School's Finance program CASES21.
- All EFTPOS documentation, e.g. Merchant copies of EFTPOS receipts, voided refunds, EFTPOS reports and refund authorisation, will be kept for audit purposes for the required seven years.
- EFTPOS transactions will be reconciled against CASES21 reports by School staff as part of their banking procedures and be cross-checked by the Business Manager as part of the end of the month procedures.
- All information gained from EFTPOS transactions will only be used for its intended purpose in accordance with the Victorian Information Privacy Act 2000.
- The Business Manager will be delegated authority to authorise School staff to perform EFTPOS refund transactions in the event of a processing error.

Purchasing

- All purchases of goods and services require a Purchase Order.
- All goods orders must comply with OHS standards. Any chemicals purchased must have a MSDS - Material Safety Data Sheet - completed prior to ordering.
- Preferred and local suppliers should be used wherever possible.

- All assets over $5,000 and attractable electrical goods that will be placed on the Asset register should be first discussed with the Asset Manager prior to ordering.

- Budget holders will ensure there are adequate funds prior to ordering and have authority to sign orders. Budget holders will be set as per the School Positions of Reasonability list.

- The School will follow all tender/quotation documentation thresholds for the purchase of goods and services under the Financial Management Act 1994.

Less than or equal to $2,500	A minimum of 1 quote (may be verbal or written)
Greater than $2,500 and equal to $25,000	A minimum of 1 written quote
Greater than $25,000 and equal to $150,000	A minimum of 3 written quotes to be sought
Greater than $150,000	Public tender process

- All orders must be approved by the budget holder and signed off on prior to being ordered.

- The Business Manager will be granted authority to approve asset orders under $25,000.
- Asset and consumable orders in excess of $25,000 will require Principal authorisation.

- Asset and consumable orders in excess of $150,000 will require Production and Finance Committee authorisation.

Purchasing Card

- School Council will approve all purchase cards prior to them being issued and be responsible for determining the number of cards issued and the monetary limits set on those cards to the maximum value of $10,000 per card.

- All purchase cardholders will be listed in the Purchase Card Register, to be maintained by Central Administration.

- Purchase cards will only be issued after the user has completed and signed an “Undertaking by the Cardholder” form which outlines their responsibilities as a cardholder.

- The School Principal and the School Council President will be

designated the Authorising Officers who, with Council approval, can authorise the creation of a new purchasing card, change transaction or monthly limits and cancel existing cards.

- The Business Manager will be designated the 'Point of Contact' for the purchase cards with Westpac. A Point of Contact has no authority to issue cards or change cardholder limits but is able to contact the bank and request information about the purchasing card facility.

- Purchase cards must not be used to obtain cash advances.

- All purchases made using the purchase card must be supported by receipts and tax invoices.

- Goods and services purchased with the card must follow the guidelines set out in the Purchasing section of this policy.

- Each monthly purchasing card statement must be signed by the cardholder and submitted to the Authorising Officer for approval. A purchasing card held by the School Principal is to be approved by the School Council President.

Refund and Reimbursements

- No refunds or reimbursements will be issued without the correct documentation in line with DET guidelines. Families and staff owing money for camps, excursions, music tuition or property damage will only receive a refund once the outstanding amount has been deducted.

- **Method –** The preferred payment method of refund/reimbursement is by direct deposit. Alternatively all others payments will be made by cheque or, in limited cases, by petty cash.

- **Camps/Excursions** - Occasionally students are unable to participate in an activity because they are sick on the day, late to catch the bus, etc. In making a decision regarding a refund one issue has to be considered: ***Has the school already spent money for the student to participate?*** If the school has already had to pay for the activity then a refund would not normally be given.

- **Material Charges -** Students exiting the School who have paid the material charges in full will receive, upon written request, a proportional refund for any term not yet commenced.

  Students owing money for camps, excursions, music tuition or property damage will only receive a refund once the outstanding amount has been deducted.

- **Cash advances** – Cash advances will only be given for camps, excursions and international trips when prepayments are not able to be made and to ensure staff have adequate funds to deal with emergencies while away. Cash advances will be made electronically to staff bank accounts with receipts and advance balance to be returned once they have returned.

- **Stale Cheques -** The School's financial administration will follow up all unpresented cheques that have appeared on the bank reconciliation for three continuous months. All reasonable action must be taken to locate and pay the payees named on the cheque. Where action to locate the payee is unsuccessful, the returned or uncollected cheque must be cancelled on the school's finance system and a stop payment made with the bank after the cheque has remained on the bank reconciliation for 12 continuous months.

- **Travel –** In accordance with DET guidelines all travel will be reimbursed through payroll.

Cash Handling

Cash is the most vulnerable asset in a school, unlike cheques or electronic funds transfers, which have their own trail of evidence for verification.

These processes are to be applied to any instance when cash is collected or transferred, whether curriculum or non-curriculum related.

One of the most effective controls for minimising the risk is to reduce the collection of cash. The School allows and encourages payment via EFTPOS, cheque, credit card, BPay, Centrepay and direct deposit. While only allowing non-cash forms of payment would provide transaction evidence and a verifiable trail, this may cause unnecessary hardship to families who may not have access to non-cash forms of payment.

The School's financial administration staff will:

- Ensure that any cash collected or remaining after banking that day is stored in the school safe.
- Ensure that there is minimal cash in the school overnight and weekends.
- At the end of each school term, all cash on hand will be banked and if a petty cash responsible officer will ensures that the petty cash float is locked in the fireproof safe for the period of the vacation.
- Ensure cash collected from away from the general office (e.g. fundraising, canteen etc) is regularly removed, counted and recorded by an independent person.
- Where possible and practical segregation of duties will occur

(for example, all cash and cheques collected are banked intact daily by a different person other than the one collecting them).

- A reconciliation of cash collected versus cash banked will occur as part of the EOM procedures.

Cash Floats

A cash float is often necessary for the conduct of operations.

The School's financial administration staff will ensure that cash floats are:

- Maintained in a secure location.
- Accounted for after each use.
- Recorded in the financial documents register.
- Re-banked when no longer required.

Gifts, Benefits and Hospitality

The giving and receiving of gifts and hospitality are commonplace in everyday life. Gifts may be offered to say thanks for good service, a special achievement, or to celebrate an important event.

Whenever Department employees, school council employees or school councillors accept or offer gifts and hospitality they must always act fairly and objectively and maintain public trust by being honest, open and transparent.

Token Offer is an offer of a gift, benefit or hospitality that is offered as a courtesy or is of inconsequential or trivial value to both the person making the offer and the individual. The primary determinant of a Token offer is that it would not be reasonably perceived within or outside the organisation as influencing an individual or raising an actual, potential or perceived conflict of interest. **A Token Offer** is an offer of a gift, benefit or hospitality that is less than $50. Except where a person employed under the *Education and Training Reform Act 2006* in a Victorian Government school receives an offer from or on behalf of a parent, guardian, carer or student intended to express appreciation of the person's contribution to the education of a student or students, in which case non-token includes any offer worth more than $100.

Non-Token Offer is an offer of a gift, benefit or hospitality that is $50 or more.

- ***Gifts*** are free or heavily discounted items, intangible benefits or hospitality exceeding common courtesy that are offered to employees or school councillors in association with their duties and responsibilities. Gifts may also include those provided by organisations to a visiting delegation from another jurisdiction. They may be enduring, such as a work of art, or consumables, such as a box of chocolates. They can range in value from nominal to significant and be given for different reasons.

- ***Benefits*** are the privileged treatment, privileged access, favours or other advantage offered to an individual. They include invitations to sporting, cultural or social events, access to discounts and loyalty programs and promises of a new job. While their value may sometimes be difficult to quantify in dollars, they may be highly valued by the intended recipient and therefore used to influence behaviour.
- ***Hospitality*** is the friendly reception and treatment of guests. It is hospitable to offer light refreshments in the course of a business meeting or as part of a conference program. Hospitality can range from offers of light refreshments at a business meeting to restaurant meals and sponsored travel and accommodation.

The **minimum requirements for individuals** for accepting gifts, benefits and hospitality are that they:

- do not solicit gifts, benefits or hospitality;
- refuse all offers of gifts, benefits or hospitality that could be reasonably perceived as undermining the integrity and impartiality of their organisation or themselves;
- refuse all offers of gifts, benefits or hospitality from people or organisations about which they are likely to make decisions, i.e. tender processes, procurement, licensing or regulation, etc;
- refuse all offers of money or items easily converted to money, such as shares; and
- refuse bribes and report bribery attempts to their manager/principal.
- seek advice from their manager/principal or other appropriate delegate if unsure about how to respond to an offer of a gift, benefit or hospitality of more than nominal value.

The **minimum requirements for individuals** when providing gifts, benefits or hospitality are that they:

- ensure that any gift or hospitality is provided for a business purpose in that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities;
- ensure that any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations; and
- ensure that when hospitality is provided, individuals demonstrate professionalism in their conduct and uphold their obligation to extend a duty of care to other participants.

- Gifts of seemingly excessive value should not be accepted. The only exception to this is when failure to accept the gift, benefit or hospitality is likely to cause embarrassment or insult to the donor.

- Gifts of any value must never be accepted if:
- the donor or reasonable observer would perceive that acceptance would create an obligation to the donor, particularly if the value of the gift is disproportionate to the circumstances in which it is offered.
- the gift is likely to influence an employee or school councillor in the course of their duties or where acceptance could cause a conflict of interest.
- the organisation's primary purpose is to lobby Ministers, Members of Parliament or agencies.
- the gift is an offer of money or anything readily convertible into money (e.g. shares), or
- the organisation or individual has a connection with a tender process or a decision over which the Department or the school could be perceived to have influence.

Keeping gifts

Employees and school councillors may keep token gifts (under $100) such as a box of chocolates, for the work they have done. In limited circumstances, employees and school councillors may be able to keep a gift worth $100 or more, but less than $500, **subject to the documented approval** of their Deputy Secretary or school council. The Secretary, Deputy Secretary or school principal may also consider offering the employee or school councillor the option of purchasing the gift at market value. Gifts worth $500 or more must be surrendered to the State or school **under all circumstances**. Employees and school councillors may purchase a gift worth more than $500 from the State or school, with the Secretary's or school council's written approval, provided that no other public entity (e.g. Museums Victoria) has expressed interest in retaining the gift.

Providing gifts to staff

On occasions, the Department or school may wish to recognise significant staff achievements and provide **Token gifts** as part of:

- a reward and recognition event
- celebrating length of service milestones and/or retirements.

A Token, such as a card and/or flowers, may also be sent to family members to acknowledge an employees' contribution to the workplace in the event of their death. Doing so can also assist their colleagues with their bereavement.

To uphold the principles of accountability and transparency, all schools are required to seek approval from the school council when issuing gifts to staff (regardless of value) which is funded by public monies.

Gifts given in celebrations of events such as birthdays, marriages or the birth of children should not be funded using public monies. All purchases need to be made in accordance with the Department's Purchasing Card Policy and Guidelines (corporate).

Financial Management and Control Policy

Register

For school-based employees and school councillors, acceptance and offers of a gift worth more than $50 (nominal value) **must** be formally registered on the school's gift register.

- recipient's name
- donor's name and organisation
- location of the gift
- description and estimated value
- date, time and place of offer
- decision taken on the gift
- principal's or school council president's signature.

The gift register will be monitored by the principal and annually reviewed by the school council.

Evaluation

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

Date Implemented	21st Feb 2024
Approval Authority (Signature and date)	20th Feb 2024
Dates Reviewed	20th Feb 2024, 18th Feb 2025
Responsible for Review	Finance Committee / School Council
Next Review Date	Feb 2026
References	DET