



Garin College - NAG 4

**NAG 4**

**4.1 SCHOOL POLICY - Financial Planning Policy**

The board of trustees has overall responsibility for the financial management of the school but delegates the day-to-day management of the school's finances and budget to the principal. The principal, in association with the Finance Committee, is responsible for recommending an annual operating and capital budget to the board within the timelines specified in the Finance Committee terms of reference.

Budgeting shall reflect the annual plan, avoid financial jeopardy and show a generally acceptable level of foresight.

Thus the budget should:

1. reflect the results sought by the board
2. reflect the priorities as established by the board
3. comply where the board's requirement is for a balanced budget
4. demonstrate an appropriate degree of conservatism in all estimates

Date:

Signed

Board Chair:

**Review schedule Triennial**

The following procedures will be developed for this policy:

- 4.1:1 Financial Management
- 4.1:2 Financial Reporting
- 4.1:3 Budget Preparation
- 4.1:4 Maintenance Planning
- 4.1:5 Insurance
- 4.1:6 Credit Card



## FINANCIAL MANAGEMENT

1. The Principal is responsible for maintaining a full computer accrual accounting system for the College.

2. The authorization of all operating budget expenditure is delegated to the Principal. The Principal may sub-delegate this authority. While reporting of the operating budget is by activity, the Principal is authorized to manage the finance of the College as a global budget.

3. The number of bank accounts operated by the College is to be kept to a minimum. All accounts operated by the College are to be authorized by the Principal. All College activities accounts, including sports fundraising are to be operated through the College account system. No independent bank accounts are to be authorized.

4. There is to be dual signatories. A division of responsibilities for procurement, certifying, approving and paying actions. Banking is to be conducted at least twice a week. All payments are to be made by cheque, direct credit or electronic transfer except for payments by petty cash.

5. Investments: The Principal is authorized to invest funds on fixed interest with Ministry of Education approved banks. All investments are to be on call unless authorized otherwise by the Board.


6. Borrowing: The power to borrow money may only be authorized by the Board. The Board may authorize borrowing up to a limit of ten percent (10%) of the annual operations grant. Borrowing is not to be authorized to meet current expenditure.

7. Trading Activities: The College may only initiate trading activities on the authorization of the Board. The Principal is authorized to operate the following trading activities:

- a) Youth Enterprise Scheme
- b) Canteen, and
- c) Uniform Shop

The Principal is responsible for putting into place and publicizing operating procedures for the operation, control and audit of these activities.

8. Asset Register: In accordance with the Public Finance Act 1989 an up to date assets register is to be maintained by the Principal. Asset depreciation is to be by the straight-line method with the asset written off over the useful life of the asset.


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	<b>SCHOOL PROCEDURES 4:1:2 - Financial Reporting</b>	

#### Annual Financial Statement

- a) An annual financial statement be prepared, and presented to the Board.
- b) The report is to be audited on behalf of the Controller and Auditor-General.
- c) Commentary on the annual financial statement is to be prepared, which specifically will comment on the following:
  - Percentage of total expenditure (excl. teacher's salaries) that is spent on teaching and learning.
  - The operating surplus or deficit
  - The working capital position (current assets less current liabilities)
  - The debt to equity ratio of the Boards (how much of the Total Assets owed by the Board are financed by creditors or lenders).
  - Total capital expenditure for the year, compared to budget.

#### 2. Periodic Reporting during Year

- a) At least every quarter the following financial reports are presented to the Board:
  - Income statement
  - Balance Sheet
  - Statement of cash flows
  - Summary of Capital Expenditure

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	<b>SCHOOL PROCEDURES 4:1:3 - Budget Preparation</b>	

1. The Rector is to prepare both the operating and capital expenditure budgets in consultation with the staff.
2. The draft budgets are to clearly separate out administration, asset replacement and maintenance.
3. The draft budgets are to be supported by a written narrative which clearly describes how the budget is constructed, showing assumptions made and the basis of all calculations.
4. The budgets for the following year are to be presented to the Board by November of the preceding year.



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**SCHOOL PROCEDURES 4:1:4 - Maintenance Planning**

**MAINTENANCE PLANNING**

1. The Property sub-committee will review and update annually the College Ten Year Property Management Programme.
2. The Property sub-committee is to carry out an annual inspection of the College premises by 30 September each year. Following the inspection the sub-committee is to prepare an Annual Maintenance Plan for the following year, and advise the Principal and the Finance Committee in writing of the budget requirements.
3. The Ten Year Property Management Programme and Annual Maintenance Plan are to incorporate the College needs for:
  - a) Property Maintenance, and
  - b) Equipment replacement and upgrading major maintenance Education Management Board, Health and Safety Hazards.
4. Any essential or urgent work required to remove health and safety hazards which are a danger to occupants, or where failure to act will force all or part of the College to close within the next 12 months, must immediately be reported to the Ministry of Education through the Catholic Education Management Board.



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**SCHOOL PROCEDURES 4:1:5 - Insurance**

**INSURANCE**

1. The College is covered by three types of insurance cover which is currently obtained from the following sources:
  - a) Property Insurance
  - b) Professional Indemnity Insurance
  - c) Contents Insurance



**SCHOOL PROCEDURES 4:1:6 Credit Cards**

1. Credit Cards should only be issued to staff members after being authorized by the Board.
2. A register of cardholders should be maintained.
3. The limits set for credit card use should not exceed the overall financial delegation of the cardholder. Any variations require Board approval.
4. Prior to the card being issued, the recipient must be given a copy of this policy and be required to sign it off to signify that they have read and understood it.
5. The credit card is not to be used for any personal expenditure.
6. The credit card will only be used for
  - a) Payment of actual and reasonable travel, accommodation and meal expenses incurred on school business.
  - b) Purchase of goods where prior authorization from the Board is given.