

FINANCIAL MANAGEMENT & CONTROL POLICY

Lowanna College: School Number 01-8821

Rationale:

To ensure that all available funds are managed, monitored and accounted for, in accordance with Department of Education and Training (DET) policy and procedures.

Aim:

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

Implementation:

1. It is a requirement under the Education Act 1958 that School Councils use all monies coming into their hands for proper purposes.
2. College Council will appoint a Finance sub-committee that will meet monthly, reporting on issues and presenting recommendations relating to all financial matters at each Council meeting.
3. The Finance sub-committee will work closely with the College Principal and Business Manager. College Council will appoint a Treasurer who will be convenor of the Finance sub-committee.
4. The Finance sub-committee will:
 - a. liaise with all appropriate school groups to present both individual program budgets and annual budgets for Council approval,
 - b. monitor and report to Council monthly on all receipts, expenditure and commitments against approved budgets, unpaid accounts, investments and balances held in school accounts.
5. The Finance sub-committee will monitor and report monthly on Student Resource Package reports including current surplus or deficit amounts and anticipated reconciliation balances.
6. All revenue and expenditure budgets will be based on the CASES21 chart of accounts. The College will use the CASES21 Accounts Receivable module, and all reports to College Council will be CASES21 generated.
7. The Finance sub-committee will be responsible for:
 - a. preparing annual financial statements and records for auditing
 - b. providing College Council with annual receipt, expenditure and investment statements for public annual reports.
8. The Finance sub-committee will be responsible for advising College Council on all matters associated with centrally and locally raised funds including:
 - a. the levels of voluntary contributions and levies,
 - b. sponsorships,
 - c. DET grants,
 - d. philanthropic contributions, trusts and local cooperatives.
9. The Finance sub-committee will be responsible for managing any investment accounts consistent with the College 'Investment Policy'.
10. Finance sub-committee will ensure that members and College councillors declare any pecuniary interest

or conflict of interest prior to contributing to any recommendation, and will be vigilant in providing robust and thorough internal control procedures.

11. College bank accounts will only be opened, operated or closed with the written authority of College Council.
12. The Finance sub-committee will be actively encouraged to second further members with additional expertise at times of major projects and to engage consultants when considered advantageous.
13. EFTPOS:
 - a. College Council will approve the use and number of EFTPOS facilities in the College.
 - b. Transaction charges will be paid for by the College as an administration cost.
 - c. EFTPOS machines will be kept in a secure environment 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.
 - d. Staff members authorised to process transactions using EFTPOS facilities will be minuted through College Council and listed in an EFTPOS register.
 - e. Staff members authorised to use the EFTPOS machines will have the policy made available to them and be trained in the operation of the machines.
 - f. The option 'Cash Out' is unavailable from College EFTPOS facilities.
 - g. All EFTPOS transactions will be processed through the College's Finance program CASES21.
 - h. 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.
 - i. EFTPOS transactions will be reconciled against CASES21 reports by administrative staff as part of banking procedures and will be cross-checked during the 'end of the month' procedures.
 - j. All information gained from EFTPOS transactions will only be used for its intended purpose in accordance with the Victorian Information Privacy Act 2000.
 - k. The Business Manager will be delegated authority to authorise office staff to perform EFTPOS refund transactions in the event of a processing error.
14. Internet Banking:
 - a. As per DET guidelines, all internet banking accounts will have the 'Pay Anyone' feature disabled.
 - b. All internet banking creditor and local payroll payments will be made through the DET Finance program CASES21 and uploaded by computer file into the internet banking system.
 - c. The Business Manager and the Accounts Payable Officer will be granted access to internet banking. They will have viewing and file creation rights.
 - d. The College Principal and the College Council's authorised signatories will be granted access to internet banking. They will have viewing and file authorisation rights.
 - e. All internet banking payments will require two authorisation codes before the payment will be processed.
 - f. All internet banking payments will be subject to normal DET documentation requirements prior to being processed.
 - g. All internet banking payment records will be stored as per DET guidelines and audit requirements.
 - h. The College will make BPAY available to families wishing to pay for camps, excursions or material charges via the internet. All money received via BPAY will be receipted against the family's account as per normal EFTPOS and CASES21 procedures.
15. Direct Debit
 - a. All direct debit agreements must be approved and signed by School Council prior to implementation
 - b. A direct debit facility allows an external source to a pre-arranged amount of funds from the school's Official Account on a pre-arranged date. Any such payments will be authorised as appropriate and required.

- c. The Business Manager will ensure adequate funds are available in the Official Account for the “sweep” of funds to the supplier.

16. Purchasing:

- a. All purchases of goods and services require a Purchase Order.
- b. All goods orders must comply with OHS standards.
- c. Any chemicals purchased must have a ‘MSDS - Material Safety Data Sheet’ completed prior to ordering.
- d. Preferred and local suppliers should be used wherever possible.
- e. All assets over \$5,000 and attractable electrical goods to be placed on the Asset Register should be discussed with the Asset Manager prior to ordering.
- f. Budget managers will ensure there are adequate funds prior to ordering.
- g. The College 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

- h. All orders must be approved by the budget manager and signed off prior to ordering.
- i. The Business Manager, Office Manager and Principal team will be granted authority to approve orders under \$10,000.
- j. Orders in excess of \$10,000 will require Principal authorisation.
- k. Orders in excess of \$50,000 will require Finance Committee authorisation.

17. Purchasing Card:

- a. College Council will approve all Purchase Cards prior to issue and take responsibility for determining the number of cards issued and the monetary limits set on those cards to the maximum value of \$15,000 per card.
- b. All Purchase Card holders will be listed in the Purchase Card Register, maintained by Central Administration.
- c. 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.
- d. The College Principal and the College Council President will be designated Authorising Officers who, with Council approval, can authorise the creation of a new Purchasing Card, change transaction or monthly limits and cancel existing cards.
- e. The Business Manager will be the designated ‘Point of Contact’ for the Purchase Cards with Westpac. A Point of Contact has no authority to issue cards or change cardholder limits, but has the authority to contact the bank and request information regarding the Purchasing Card facility.
- f. Purchase Cards will not be used to obtain cash advances.
- g. All purchases made using the Purchase Card must be supported by receipts and tax invoices.
- h. Goods and services purchased with the Card must follow the guidelines set out in the Purchasing section of this policy.
- i. 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 College Principal is to be approved by the College Council President.

18. Refund and Reimbursements:

- a. No refunds or reimbursements will be issued without the correct documentation in line with DET guidelines. Families owing money for camps, excursions, music tuition or property damage will only receive a refund once the outstanding amount has been deducted.
- b. The preferred payment method of refund/reimbursement is by direct deposit. Alternatively, all others payments will be made by cheque.
- c. Occasionally students are unable to participate in an activity. In making a decision regarding a refund, if the school has already had to pay for the activity, then a refund would not normally be given.
- d. Students exiting the College 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.
- e. The College's financial administration will follow up all un-presented cheques appearing on the bank reconciliation for three continuous months. All reasonable action will be taken to locate and pay the payees named on the cheque. After 12 continuous months, 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.
- f. In accordance with DET guidelines, all travel claims will be reimbursed through payroll.

19. Gifts, Benefits and Hospitality:

- a. Whenever DET 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.
 - i. Gifts are the 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.
 - ii. Benefits are the privileged treatment, privileged access, favours or other advantage offered to an individual. These include invitations to sporting, cultural or social events, access to discounts and loyalty programs and promises of employment. 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.
 - iii. 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.
- b. The minimum requirements for individuals for accepting gifts, benefits and hospitality are that they:
 - i. do not solicit gifts, benefits or hospitality;
 - ii. refuse all offers of gifts, benefits or hospitality that could be reasonably perceived as undermining the integrity and impartiality of their organisation or themselves;
 - iii. 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.;
 - iv. refuse all offers of money or items easily converted to money, such as shares;
 - v. refuse bribes and report bribery attempts to their manager/principal; and
 - vi. seek advice from their manager/principal or other appropriate delegate if unsure how to respond to an offer of a gift, benefit or hospitality of more than nominal value.
- c. The minimum requirements for individuals when providing gifts, benefits or hospitality are that they:
 - i. 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;
- ii. ensure that any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations; and
 - iii. 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.
- d. 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.
- e. Gifts of any value must never be accepted if:
- i. 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.
 - ii. 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.
 - iii. the organisation's primary purpose is to lobby Ministers, Members of Parliament or agencies.
 - iv. the gift is an offer of money or anything readily convertible into money (e.g.) shares, or
 - v. the organisation or individual has a connection with a tender process or a decision over which the DET or the school could be perceived to have influence.
- f. Keeping gifts:
- i. 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.
- g. Register:
- i. For school-based employees and school councillors, acceptance and offers of a gift worth more than \$100 (nominal value) must be formally registered on the school's gift register. This register includes the following details:
 - 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.
 - ii. The gift register is monitored by the principal and annually reviewed by the school council.

Evaluation:

This policy will be reviewed annually to ensure consistency with any advice or instruction received from the DET.

This policy was last ratified by College Council on 18 June 2018.

Gift, Benefit and Hospitality Declaration (SCHOOLS FORM)

To be completed by the recipient of the reportable gift within 14 days of the offer.

Date offered:

Offered to:

Title/Role:

School:

Offered by:

Title/Role:

Organisation:

Reason offered:

Description of gift:

Address of where gift is kept or hospitality occurs:

Estimated value:

- 'Nominal value' (\$100) and above needs to be declared
 - 'Nominal value' (\$100) and up to \$500 requires Principal or School Council President approval
 - Above \$500 requires Principal or School Council President and transferred to the School or Department

First time offer Previous offer(s) within last 12 months by this individual

Cumulative value of gifts offered by this individual within the last 12 months:

Does this declaration relate to a TRA? If yes, please provide TRA number:

Decision regarding gift: Declined Retained Transferred to School or Department ownership

Signature of recipient: Date: / /

Attaching supporting documentation of the Gift, Benefit or Hospitality assists with approvals and record keeping

Approved by recipient's authorised delegate:

Name: Position:..... Date: / /

Signature:

On completion - Please send to School Principal or School Council President as appropriate

Gift Register updated:

Name: Position:..... Date: / /

Signature:

School Principal or School Council President as appropriate