



## **FINANCE POLICY**

### **RATIONALE**

The Board and Principal of Elim Christian College will administer the finances of the school in such a way as to maximise the opportunities for students to be given an excellent education while complying with all legal requirements.

### **PURPOSES**

- 1) To effectively manage the school's financial resources and use them to achieve the goals set within the Charter, Strategic Plan, Annual Plan and Special Character documents.
- 2) To maintain accountability for and control of the school's financial resources.
- 3) To ensure that the school's financial resources will be utilised in an equitable and efficient way for the benefit of all students and that assets of the college will be safe guarded for future generations of students.
- 4) Monitor income and expenditure within budget and report monthly to the Board on performance against the budget.
- 5) To ensure that all expenditure and commitment of expenditure occurs as per the specific responsibilities delegated to the Finance Committee by the Board.
- 6) To ensure reports comply with the required accounting standards, and that the annual financial statements are presented to the Ministry of Education within the required timeframe.
- 7) To ensure adequate and appropriate financial records are maintained.
- 8) To ensure there is an appropriate level of communication of financial information to the BOT, MOE, parent community and any other stakeholders that the BOT might determine from time to time.
- 9) To ensure all MOE Financial Policies, Procedures and Guidelines are followed.

### **GUIDELINES**

**1. Function of the Board:** The Board of Trustees retains primary responsibility for the overall financial management of the school in accordance with governance obligations. The Board may delegate some of its authority and responsibilities to Committees and staff members; however, in each of these cases it will retain an overseeing role.

**2. Specific Responsibilities Retained by the Board:** The Board has retained the following financial management responsibilities:

- Approval of the finance policy
- Approval of a change in Auditor
- Approval of all delegations
- Approval of the annual budget
- Approval of any expenditure in excess of budgeted level. This relates to the overall budget as opposed to line items.
- Approval of the Annual Report

In addition to this the Board will receive a monthly report from the Finance Committee summarising the school's performance against budget and outlining the Finance Committee's expectations for the remainder of the year.

**3. Function of the Finance Committee:** The Board has created the Finance Committee to take responsibility for overseeing the day-to-day management of the school's financial resources, commitments and obligations. The Committee shall oversee the preparation of budgets, monitor the collection of revenue, monitor expenditure, and provide advice to the Board and to the Principal on financial matters.

#### **4. Specific Responsibilities Delegated to the Finance Committee**

##### **Budgeting:**

- Ensure an annual budget is drafted
- Ensure the draft budget for the coming year is presented to the BOT Finance Committee for approval by 31 December of each year. This designated BOT Committee will act on behalf of the Board of Trustees in approval of the draft budget.
- Provide the Board of Trustees with a final budget for approval on the first meeting in the New Year.

##### **Monitoring:**

- Monitor budget control and cash flow
- Report expenditure outside the budget to the Board

##### **Reporting:**

- Provide the Board of Trustees with a monthly financial report

- Ensure the annual financial statements comply with legislation, authoritative accounting standards and generally accepted accounting principles
- Ensure draft annual financial statements are presented to the Board prior to 31 March
- Ensure the draft financial statements are provided to the auditor by 31 March
- Present draft or final financial statements to the Board annually as part of the Annual Report
- Ensure the audited financial statements are provided to the Ministry of Education by 31 May

**Provide Advice:**

- Give advice to the Board as required about the school’s financial management
- Advise the Board of Trustees on financial procedures set out by the Ministry of Education
- Provide advice to the Principal on financial management.

**Record Keeping:**

- Maintain procedures setting out financial responsibilities and delegations

**5. Responsibilities of the Principal:** The Principal will manage this policy on the Board’s behalf and ensure appropriate systems and procedures are in place to safeguard the school’s assets.

Ratified by Board:



Signed for B.O.T

19 August 2019

Date

Date for Review:

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