



Collegiate Junior School for Girls

SCHOOL FINANCE POLICY (SFP)

1. Principles

- 1.1 The SGB manages school funds within the statutory framework provided, and in accordance with accepted accounting principles and practices.
- 1.2 The SFP is reviewed annually to ensure the Rand values used in the policy are appropriate.
- 1.3 The SFP may be amended by the SGB provided written notification of amendments is provided at least 14 days prior to the SGB meeting at which the matter will be tabled.
- 1.4 Authority for supervision and implementation is delegated to the Principal and Fincom.
- 1.5 All parties delegated to perform financial management responsibilities must be authorised in writing to do so by the SGB.
- 1.6 Authorisation is valid until such time that the authorisation is revoked by the SGB.

2 Definitions

Fincom	the School Finance Committee
GDE	Gauteng Department of Education
HOD	the Head of Department of the Eastern Cape Department of Education
Remcom	the Remuneration Committee
MEC	Member of the Executive Council
SFO	the School Finance Officer
SFP	School Finance Policy

3 Applicable legislation

This policy is compiled in accordance with the following legislation and amendments:

- Constitution of the Republic of South Africa (Act 108 of 1996)
- National Education Policy (Act 27 of 1996) and amendments
- South African Schools Act (Act 84 of 1996) and amendments
- Regulations for the exemption of Parents from the payment of School Fees, 2005, as amended

4 Responsibilities of the SGB

- 4.1 The SGB is responsible for the matters with financial management implications:
 - 4.1.1 supplementing the resources supplied by the state in order to improve the quality of education.

- 4.1.2 supplementing school income through fund-raising and, through school fees.
- 4.1.3 administering and controlling the school property and using it to raise funds.
- 4.1.4 employing staff.
- 4.1.5 maintaining and improving the school property (SASA section 21 functions).
- 4.1.6 purchasing learning materials (SASA section 21 functions).
- 4.1.7 paying for services to the school (SASA section 21 functions).
- 4.1.8 establishing and administering the school fund in accordance with directions issued by the HOD.
- 4.1.9 paying all money received by the school into the school's bank account.
- 4.1.10 using school funds only for educational purposes and the performance of SGB functions.
- 4.1.11 keeping records of all financial transactions and preparing financial statements.
- 4.1.12 reporting to parents on the finances of the school.
- 4.1.13 submitting the school's audited (or examined) financial statements to the HOD annually by June 30.
- 4.1.14 keeping an asset register and not alienating any assets without permission.
- 4.1.15 keeping all records safe (the principal must do this).
- 4.1.16 allowing the inspection of the financial records by an interested party.
- 4.1.17 paying extra remuneration to state-paid staff only with prior approval of the HOD.

5 Financial management structures

- 5.1 The treasurer is elected by the SGB. He/she chairs the Fincom, presents monthly financial statements to the SGB, proposes the budget at the annual budget meeting of parents.
- 5.2 The Fincom is appointed by the SGB and comprises at least the following people:
 - a) The treasurer
 - b) The chairperson of the SGB
 - c) The Principal
 - d) The school finance officer (SFO/school's bursar)
 - e) The Deputy Principal
- 5.3 The School Finance Officer (SFO) is authorised, in writing, by the SGB to perform the daily financial operations in terms of this (SFP) and is accountable to the SGB through the Fincom.
- 5.4 Other staff authorised are, in writing, by the SGB to perform financial responsibilities, for example: Debtors' Clerk and Petty cash controller.
- 5.5 The "Internal Auditor" is appointed by the SGB to perform spot checks of financial records and to monitor the implementation of the SFP on behalf of the Fincom and SGB.
- 5.6 The Exemption Committee is appointed by the SGB to adjudicate all applications for fee exemptions and determine the applicant's liability for fees in terms of the Exemption Regulations – fee paying schools only.
The Exemption Committee comprises the Principal, the SGB treasurer and the debtors collector of the school.
- 5.7 The Assets Control Committee is appointed by the SGB to maintain a register of assets and to monitor the control of assets in terms of the SFP. For this purpose a school's assets include all the movable property belonging to the school, although depreciating in some cases like computers, vehicles, science equipment such as projectors. The committee shall consist of the IT Department.
- 5.8 The Inventory Control Committee is appointed by the SMT to maintain a register of inventory items and to monitor the control of inventory in terms of the SFP. For this

purpose, Inventory refers to items of lesser value that do get used up but do not qualify as consumables, for example subject stock like furniture, textbooks and stationery.

- 5.9 The fixed assets of the school do not belong to the school.
- 5.10 The Procurement Committee is appointed by the SGB to manage the procurement of goods and services in terms of the provisions of the SFP and the Procurement Policy.
- 5.11 The Remuneration Committee is appointed by the SGB to manage financial aspects of the School Employment Policy such as recommending remuneration scales, annual salary increases and any other employment benefits, including section 38A remuneration , if relevant to the school.
- 5.12 The Fundraising Committee is appointed by the SMT to co-ordinate and oversee school fundraising activities. The members of these committees change according to the needs of the fundraiser.

6 Management of school finances – detailed procedures must be included under each heading.

6.1 Introductory statements

- 6.1.1 Accounting principles: The school shall apply generally accepted accounting practices.
- 6.1.2 School bank account information
 - a) The school bank account is held in the name of Collegiate Junior School for Girls at Standard Bank.
 - b) The signatories have been appointed by the SGB and remain in force until changed by resolution of the SGB.
 - c) Two signatories are required for all transactions and authorisations.
 - d) The signatories are as follows: the Principal and the Deputy Principal.
 - e) The bank account may not be overdrawn.
- 6.1.3 The school uses an electronic accounting system.

6.2 Management of income/receipts

- 6.2.1 Principles for managing income:
 - a) The school will be responsible for the receipt and recording of all money received by the school. For the purpose of this policy, money will also include credit card transactions and direct debits, and any other means of payment.
 - b) A person or persons will be appointed by the SGB, in terms of a written mandate, to have day-to-day responsibility for the receipt and recording of money.
 - c) All school fee monies received by the school will be recorded individually and immediately through the issue of a receipt in duplicate and entered in the cash book. The original receipt, completed in accordance with the requirements of this policy, should be handed to the payer of the cash money.
 - d) Notes with missing pieces, colour dye or writing on it will not be accepted.
 - e) All monies received by the school should be deposited in an account in the name of the school at a registered bank.
 - f) Immediately after receipting, the money must be placed in the safe and deposited as soon as possible to meet insurance cover requirements.

6.2.2 Receipting and recording

- a) Receipts must be issued for all monies received by the school.
- b) A pre-numbered receipt book, or electronic receipts via the Karri App or the D6 should be used.
- c) Receipt books should be clearly numbered and used in numerical order.
- d) Receipts must be completed in duplicate (black or blue ballpoint).
- e) Receipts must be dated and completed in full.
- f) All copies must be clearly legible.
- g) Receipts should display:
 - i. date,
 - ii. full detail of payer,
 - iii. amount in words and figures,
 - iv. nature of the payment (cash),
 - v. reason for the payment),
 - vi. the signature of the person receiving payment, and
 - vii. the school date stamp.
- h) Only one receipt per payment is permitted.
- i) No alterations may be made on the receipt. Should this be necessary, the receipt must be cancelled, and must remain in the receipt book.
- j) Computer-generated receipts should be provided if and where possible.
- k) Receipt of school fee payment made through EFT transfer must be reflected on the next statement.
- l) Once the monies have been deposited, the receipt book must be ruled off.
- m) Recording of income should be monitored monthly by the Fincom.
- n) Monetary donations must be receipted and allocated in accordance with the donor's wishes.
- o) Where requested the SGB must provide the donor with proof of donation for tax deduction.
- p) Moveable property, after purchase, must be receipted in the asset register of the school.

6.2.4 Safekeeping of money

- a) In order to reduce the risk of loss through robbery or theft and to protect the safety of staff the Collegiate Junior aims to be a cash-free business.
- b) All money received by the school should be kept in the safe.
- c) The amount kept in the safe must be kept to the minimum possible.
- d) No money should leave the premises unless it is in transit to the bank.
- e) The amount in the safe must be within insurance requirements.
- f) Money received on a Friday should be banked before the weekend.
- g) Money collected must be handed to the Finance Officer and not kept in a classroom, or in staff member's possession at the end of the school day.

6.2.5 Depositing money

- a) All money must be kept in the safe prior to banking.
- b) Deposit slips must be properly completed.
- c) Deposit slips must be balanced with receipts before banking.
- d) Computer records should be balanced before banking.
- e) The person responsible for depositing the money, must ensure that the deposit slips reflect the money to be banked.

- f) In case of a different person depositing money, the deposit slip should be co-signed.
- g) Deposit slips must be stored for the period determined by provincial regulations, but not less than 5 years.
- h) The SGB must put measures in place to minimise risk of loss.

6.2.6 Collection of fees and managing

- a) Parents should be notified of the payment structure after the annual budget meeting.
- b) Parents sign a commitment form that serves as acknowledgement of responsibility regarding school fee payment.
- c) School fee Invoices must be prepared and sent out at the start of the financial year.
- d) Statements must reflect full payment for the year (and reflect the full fee as determined by parents at the budget meeting).
- e) Further statements must be forwarded on a monthly (for those who have committed to pay on a monthly basis and those in arrears) or quarterly (for those who have committed to make quarterly payments basis).
- f) Invoices must be sent by e-mail.
- g) The SGB appoints a debt collector to act on behalf of the school.
- h) The handing over of outstanding accounts must be in accordance with procedure required by the collections clerk/debt collector/attorney and agreed on by the SGB, and the committee mandated to oversee default payments.
- i) Regular communication with defaulters takes place (telephonic communication, letters, cell phone reminders, interviews) and details are recorded in a register.
- i) Defaulters must be notified of pending legal action in writing, and telephonically, if possible.
- j) A report on the status of school fee recovery must be tabled at every Fincom meeting.

6.2.7 Management of exemptions

- a) Parents are liable for full payment unless an application for exemption has been received or they qualify for automatic exemption.
- b) Exemptions may be full, partial, or conditional.
- c) The budget makes provision for exemptions to be granted.
- d) Criteria for the exemption process must adhere to the legal requirements.
- e) Parents are informed of the criteria after the budget meeting.
- f) Application for exemption forms must be collected from the school or if not possible, emailed.
- g) The Debtors Collector keeps track of each application received from receipt until the parents are notified of the decision.
- h) Completed application forms are processed by the Exemptions Committee.
- i) The Exemptions Committee should comprise at least three people appointed by the SGB.
- j) Applications contain sensitive information which must remain confidential.
- k) The school must assist parents, where necessary, to complete application forms.
- l) All applicants may be interviewed by the Exemptions Committee, if deemed necessary.
- m) All applications must be processed within 30 days of receipt of the application.

- n) Incomplete applications must be returned immediately, and parents must be assisted to complete them.
- o) Accurate records must be kept of meetings and interviews.
- p) Verification of information can be requested.
- q) The outcome of the application, and reasons for the decision, must be communicated to the relevant parents within 7 days of a decision being made.
- r) A dissatisfied applicant may appeal. The Exemptions Committee is required to communicate the outcome within 7 days.
- s) The applicant may submit an appeal to the MEC of the province.
- t) Exemptions granted must be reported to Fincom for noting.
- u) The auditor must verify the Exemption Return as soon as possible after exemptions have been finalised for the financial year and submit it to the SGB for adoption and submission to the relevant PED (Provincial Department of Education).

6.2.8 Fundraising Committee

- a) Where possible, fundraising will be done in the name of the trust formed for this purpose.
- b) The Fundraising Committee will manage all fundraising events but may appoint sub-committees to conduct the operational business of each event.
- c) The Fundraising Committee must be chaired by a member of the SMT.
- d) The Fundraising Committee must assign responsibility for the control of all money related to the event and the SFP policy must be strictly adhered to.
- e) Income from fundraising events must be paid into the school account or the school's trust account.
- f) Income from fundraising events will be allocated to the designated fundraising activity cost centre.
- g) Fincom monitors all fundraising events, and reports to the SGB on these events.
- h) Income from the use of the school facilities should not be reflected in the budget but regarded as fundraising and recorded as such.

6.2.9 Income from other sources such as rental of facilities

- a) Income from all sources must be receipted in terms of the SFP and be reflected in the monthly financial statements.

6.2.10 Management of donations (and issuing of section 18A tax certificates if the school has a Public Benefit Organisation (PBO) number)

- a) The donation is receipted in the normal manner and any conditions attached to the donation recorded and appropriately managed in the school accounts.
- b) The School is a registered PBO and may generate a Section 18A receipt for donations made to the school (Tax Act 58/1962).
- c) The receipt must reflect the reference number allocated by the Commissioner at registration, the date on which the donation was received, the name, address and tax reference number of the donor, the amount or the nature of the donation and any other legal requirements.
- d) Tax certificates may be issued only for donations in cash or kind but not for services.

6.3 Management expenditure/payments

6.3.1 General principles

- a) All payments made by the school are subject to orders/requisitions, approval, authorisation, verification, reconciliation, and regular review.
- b) Expenditure must be within budgetary constraints.
- c) All payments are to be made by electronic funds transfer (EFT).
- d) Where it is not possible to pay by EFT, for example, when purchasing tea, coffee, or milk such purchases may be purchased out of petty cash.
- e) The SGB has determined the following levels of authority for expenditure:

Approval level	Unbudgeted items	Budgeted items
Principal	Up to R5000	Up to R10000
FINCOM	Up to R10000	Up to R25000
SGB	Over R10000	Over R25000

6.3.2 Procurement/Supply chain management

- a) Tenders must be called for in accordance with the Purchasing and Procurement Policy.

6.3.3 Authorisation of payments

- a) Payments are only made when supported by properly authorised payment vouchers, order forms and signed by authorised signatories.
- b) Payments may not be made for items not included in the budget or where the budget will be exceeded unless the prior approval in terms of paragraph 6.3.1 has been obtained (subject to an acceptable motivation).

6.3.4 Procedure for Electronic Funds Transfer (EFT)

- a) A requisition form must be completed with the order form and invoice attached.
- b) The EFT payment sheet must be signed by the authorised signatories prior to the release of the funds.
- c) Once the payment has been released the authorised banking sheet with the sequence numbers reflected are to be attached to the payment sheet.
- d) The payment sheet together with the mainframe sequence numbers sheet is to be forwarded to the Principal who will verify and initial the sheet.

6.3.5 Payment procedure

- a) Cheque payments – no longer accepted
- b) EFT payments

Requests for EFT payments must be made on a requisition form which should be accompanied by:

- the authority for purchase, in the form of a copy of the order form (where appropriate).
- a detailed invoice signed as evidence of the receipt of goods or services. The person approving the payment should check the invoice details and should sign the invoice as evidence thereof.
- The requisition form must be signed by the principal or deputy principal.

c) Petty cash

- i. From time-to-time the SGB determines the maximum amount of the petty cash. The amounts currently provided for is R30000. The amount should be the minimum that is reasonable in the circumstances but should be sufficient to cover the normal daily petty cash requirements.
- ii. The petty cash must be reimbursed by cheque on the presentation of appropriately authorised petty cash vouchers and reconciled when required and processed through the cash book.
- iii. Petty cash requested in excess of R5000 must be supported by an authorised order.
- iv. Should a cash shortage be found, the designated person or persons will be held personally responsible for the amount.

6.3.6 Use of credit and debit cards

Based on the motivation submitted to the Department of Education, Collegiate Junior's application for the use of Debit Card by Collegiate Junior has been approved on condition that:

- a) The Finance committee approves all procurement incurred with the use of debit card; and
- b) The required number of quotations are obtained in terms of school finance policy.

The use of a Credit Card by the school has been declined.

6.3.9 Safekeeping of vouchers

- a) All payment vouchers, bank statements and other supporting documentation must be properly filed for audit and reference purposes.

6.3.8 Reimbursement for travel and subsistence (include applicable rates which are reviewed annually)

- a) All claims must be made within the current financial year.
- b) Costs incurred for approved travel for school business purposes may be reimbursed.
- c) Travel claims must be made on the prescribed form and authorised by the principal before payment.
- d) Travel claims are paid at the end of each term.
- e) Travel is reimbursed at the AA rate per kilometre or the actual cost of air, train, bus or taxi fare.
- f) Different criteria apply to travel outside the province. Such travel must be authorised by the Fincom prior to departure and except for airfares should only be claimed on return.
- g) Costs incurred for meals while on approved school business may be reimbursed on presentation to the SFO of the cash slip.

6.3.9 Employee remuneration

- a) No employee may be remunerated unless there is a valid employment contract in place and

- b) If the salary has been adjusted on an annual basis, a copy of the current approved salary adjustment letter must be filed with the employment contract to authorise the adjusted payment.
- c) All statutory deductions (PAYE and UIF) must be made and paid over.
- d) Employees must receive monthly pay slips reflecting deductions.
- e) The school must pay the required UIF, Workmen's Compensation Fund and Skills Development Levy for every employee, every month and file relevant returns.
- f) An IRP5 form must be provided to SGB employees for tax purposes.
- g) The normal authorisation process for payment applies. Extra care must be taken to check that only bona fide employees appear on the salary schedule.
- h) No section 38A additional remuneration may be paid to state-employed staff unless the application for payment has been approved by the HOD and the principal has authorised the payment and confirmed that the extra work for which the payment was claimed has been completed.

6.3.10 Deposits

- a) Payment is only made once the goods and services have been delivered.
- b) It is the school's policy not to pay deposits.
- c) In cases where deposits are required to secure materials, a deposit may be paid only if the creditworthiness of the supplier has been checked and only if the supplier will not accept the order without a deposit.

6.4 Control and supervision

6.4.1 The principal, any person so authorised by him/her, or the internal auditor has the right of access to the safe, money, deposit books, receipting and cash book modules on the electronic accounting system at any time, in the presence of the SFO for control and supervision purposes.

6.4.2 All income and expenses should be recorded in the cash book.

6.4.3 The bank statement must be downloaded and the cash book balanced and reconciled to it daily.

6.4.4 The bank reconciliation must be given to the Principal, for checking and control. This must be signed by the principal at the end of each month as evidence of this check.

6.4.5 Monthly management accounts must be prepared for distribution and scrutiny at the monthly Fincom meeting.

6.4.6 The treasurer reports on the financial management accounts to the SGB at each meeting. Copies of these accounts are made available to SGB members.

6.5 Financial reporting

6.5.1 The financial year of the school runs from 1 January to 31 December.

6.5.2 Monthly reporting

The management accounts should report the following:

- (a) income and expenditure for the month and for the year to date.
- (b) comparison of income and expenditure with the budgeted figures and an analysis of the variances.
- (c) projected income and expenditure for the year.
- (d) total school fees outstanding.
- (e) age analysis of debtors.

- (f) status of projects expenditure.
- (g) details of cash at bank and funds invested.

6.5.4 Annual financial statements

- a) Annual financial statements must be drawn up by Fincom in accordance with guidelines directed by the MEC and presented to the SGB by 30 March each year at the latest.
- b) Audited financial statements should be presented to the SGB within five months after the end of the financial year and a signed copy sent to the provincial HOD of Education by 30 June.

6.5.5 Audit

- a) The annual financial statements must be audited by an auditor, appointed by the SGB, who is registered in terms of the Auditing Profession Act, 2005.
- b) The same auditor may not be appointed for more than three years consecutively. However, a different auditor from the same firm may be appointed.
- c) The auditor may not be a member of the SGB or the Fincom.

6.5.6 Accounting policies

- a) The financial statements are prepared on the historical cost basis, in accordance with generally accepted accounting practice.
- b) The principal accounting policies adopted by the school, which are consistent with those of the prior year, are as follows:
- c) School fees are recognised on an accrual basis.
- d) School fees are paid into the current account.
- e) Authority is to be obtained from the MEC by applying on a yearly basis, if more than one banking account is held.
- f) Usage of all school fund money must be in terms of the budget approved annually at the annual budget meeting.
- g) Fixed assets and consumable stock:
 - Fixed assets over R5000 are capitalised, and the rest are written off as an expense, unless it is deemed necessary to capitalise them for control purposes.
 - Nevertheless, a fixed assets register will be kept of all assets.
 - Adequate financial records will be kept of all stock categories, and a stock take done annually under the supervision of the SFO in accordance with the Assets and Inventory Policy.

6.6 Budget procedure

6.6.1 Responsibility

- a) The annual budget is drawn up by the Treasurer and SFO after consultation with the principal and staff. The SGB approves the proposed budget that is to be tabled for approval at the budget meeting /AGM of parents held in October/November each year.
- b) 30 days' notice is given before the date of the budget meeting. The proposed budget is made available to parents 14 days before the meeting. The financial statements of the previous financial year and proposed budget are presented at the AGM.

6.6.2 Objective of budget preparation

A budget is a detailed plan of the activities and their estimated income and expenditure which are scheduled to take place during a certain period. It is a scheduled plan in terms of which expected revenues and expenditures can be measured. The budget is also a control mechanism in that it can be established at any stage during the budget period whether or not the budget is being achieved. Corrective measures can then be taken, if necessary, on a quarterly basis.

6.6.3 Basis of budgeting

- a) Compilation of the budget is a participatory process.
- b) The budget is prepared on a zero basis with the prior year's amounts being used for reference purposes only.
- c) All activities of the school should be related to one or more goals of the school. The budget can only be drawn up after the goals for the year have been determined. There should be a clear link between the constitution, the mission and the budget of the school.
- d) A deficit budget is not permitted.

6.6.4 Budgetary control

- a) The responsibility for budgetary control rests ultimately with the SGB.
- b) On a day-to-day basis the responsibility rests with the Principal and the SFO.
- c) Fincom monitors the income and expenditure against the budget on a monthly basis.
- d) The treasurer reports any item that exceeds budget by R50 000 to the SGB for approval.
- e) Deviations from the budget may be authorised by Fincom up to the value of R50 000, by the SGB up to R500 000 and by a special meeting of parents if greater than R500 000.
- f) The Fincom must report income shortfall that threatens the business of school which would require cuts to the expenditure budget and, if necessary, advise the SGB or such and warn that the school may have to begin considering a staff retrenchment process.

6.7 Record storage

6.7.1 All financial records are to be stored in our strong room for the period determined by the provincial education department but for not less than 5 years. Only authorised persons may have access to this storeroom.

6.7.2 The person responsible for the cash safes and accounting records must sign for the appropriate keys in the key register and take responsibility for their safekeeping. Duplicate keys are kept in the Principal's safe.

6.7.3 The Principal controls the Principal's safe at all times. The duplicate key is kept off the school site. If anyone needs to access to the safe the safe access register must be completed in the presence of the Principal.

6.7.4 The school's accounting system is computerised. Backups must be done daily and stored off the premises (the cloud).

6.8 Management of surplus funds/Investment principles

6.8.1 The school has applied for permission by the MEC to invest surplus funds in a second bank account. The school applies annually for this permission.

6.8.2 The school may not make any investments of a speculative nature.

6.9 Loans

6.4.1 The school may not extend loans to any person.

6.10 Asset and Inventory management

6.10.1 The SGB is legally obligated to maintain, and improve, the assets of the school. The assets of the school may not be alienated by anybody without the permission of the HOD. The HOD would determine the value of assets that could be alienated without written permission as advertised in a Provincial Gazette. The SGB is the custodian of the assets and facilities. The use of the school facilities is decided by the SGB.

6.10.2 The SGB must maintain a register of the moveable property of the school – assets and inventory.

6.10.3 The Asset Register must be available for the school’s annual audit and inspection by the HOD when required.

6.10.4 The SFO and the Treasurer are responsible for ensuring that assets are entered into the register.

6.11 Risk management

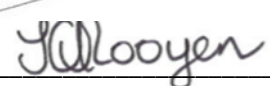
6.11.1 Management of risks is monitored at SGB level, and mitigation of risks is implemented as deemed necessary by the SGB.


6.11.2 All material assets are to be insured accordingly.

This Finance Policy for Collegiate Junior was adopted by the Governing Body of Collegiate Junior at a meeting held at the school on XXXX 2024.

SIGNED:

CHAIRPERSON  DATE 06/08 /2024

PRINCIPAL  DATE 06/08/2024

SECRETARY  DATE 06/08/2024

POLICY REGISTER DETAILS

TITLE OF POLICY	School Finance Policy (SFP)
DATE APPROVED BY SGB	6 August 2024
EFFECTIVE DATE	6 August 2024
EXPIRY DATE	This School Finance Policy remains in force until amended or replaced <u>and</u> approved by the SGB.
REVIEW DATE	Three years or sooner from date of adoption. Each SGB should review this policy at least once during its term of office.
AMENDMENT HISTORY	Revised 29 April 2022 Revised 6 August 2024