

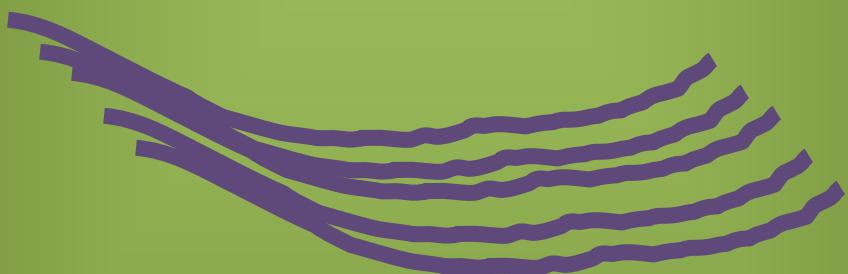


Mpumalanga Department of Education

School: KINGDOM RISE ACADEMY

Circuit: THULAMAHASHE

Region: BOHLABELA



SCHOOL POLICIES – the dais for democratic governance and leadership practices in the schools of Mpumalanga Province

The Finance Policy

Table of Contents

Finance Policy.....	4
1. Purpose	4
2. Principles	4
3. The School Finance Committee (FC).....	5
4. Functions of the Finance Committee (FC)	5
5. Duties of the Finance Committee.....	5
6. Collection and recording of money	6
6.1 Underlying principles	6
6.2 School fees	7
6.4 Issuing of receipts	8
6.5 Depositing of money	9
7. Payments	9
8. Withdrawal of money.....	10
9. Petty cash	11
10. Financial reporting	12
11. Budgeting	12
12. Raising of funds for the school.....	13
13. Effective date.....	15
14. Conclusion.....	15

The School Finance Policy

School Stamp

This Policy was adopted by the SGB on

(Date)

Signatures:

SGB Chairperson

SGB Secretary

School Principal

Circuit manager

Finance Policy

1. Purpose

This is the official Finance Policy of Kingdom Rise Academy School. The purpose of this policy is to ensure the existence of the standardised procedures for good financial administration practices which must be applied to all the financial affairs of the school.

2. Principles

According to the stipulations of the South African Schools Act, No. 84 of 1994, sections 37-44, the SGB is responsible for the following:

- a. Prepare and adopt the budget for the school.
- b. Collect school funds in order to supplement the resources provided by the department of education.
- c. Manage all school funds.
- d. Establish a Finance Committee to oversee the financial processes in the school
- e. Appoint, in writing, a Financial Officer for the school
- f. Keep complete records of all money received and spent in the school.
- g. Prepare annual financial statements.
- h. Arrange for the annual auditing of the school finances.
- i. Submit an audited financial statement to the Provincial Department of Education.
- j. Prepare and present an annual financial report to the parents.
- k. The school shall operate its financial affairs under the following three signatories, of which only two shall be authorised at any given time to sign and co-sign for financial transactions:

-----; -----; and -----
(Primary/compulsory signatory)

3. The School Finance Committee (FC)

3.1 Section 30 of the SASA allows the SGB to set up a Finance Committee for the school. The SGB shall consider the following when setting up the committee:

- a. The level of competency of the members.
- b. The need to have adequate accountability and transparency.
- c. The Treasurer of the SGB shall be the chairperson of the Finance Committee.
- d. The Finance Officer of the school shall be the secretary of the Finance Committee.
- e. At least, 02 parent members shall serve on the Finance Committee.
- f. Members are expected to attend and contribute to all meetings, in person or by means of teleconferencing facilities if available
- g. The Chairperson monitors attendance to meetings and, after discussion with the committee, responds as deemed appropriate to situations of poor attendance or contribution on the part of any member.
- h.

4. Functions of the Finance Committee (FC)

- a. The FC shall act as the sub-committee of the SGB and shall report directly to the SGB.
- b. The committee shall meet at least once a month to discuss all relevant financial matters of the school.
- c. Financial reports shall be approved by the FC before presented to the SGB.
- d. The FC meetings shall not be convened if the SGB Treasurer (who serves as the chairperson of the FC), the Principal and the Financial Officer (who serves as the secretary of the FC) are absent.
- e. Minutes of the FC must be circulated to all members before approved in the subsequent meeting of the FC.
- f. Draw up the draft budget for the school each year
- g. Present financial reports to the SGB on a quarterly basis
- h. Monitor on a monthly basis (income & expenses)

5. Duties of the Finance Committee

- a. Take responsibility for monitoring and control of all financial matters at the school.
- b. Overseeing the implementation and adherence to the Finance Policy.

- c. Delegate authority to responsible person(s) serving on the FC to discharge delegated responsibilities and functions.
- d. Provide the SGB with sound financial advices regarding the generation and utilisation of school funds.
- e. Make recommendations to the SGB on the level of funds to be levied to learners and the amount and extent of school fund exemptions found to be appropriate and acceptable.
- f. Take responsibility and accountability for the preparation and presentation of financial reports to the SGB.
- g. Monitoring and controlling expenses to ensure that the school operates within its budget and maximizes financial resources.
- h. Working closely with school administrators to align financial decisions with the school's educational priorities and strategic goals.
- i. Creating long-term financial plans and strategies to support the school's educational goals and sustainability.
- j. Reviewing financial reports and statements to ensure transparency, accuracy, and compliance with regulatory requirements.
- k. Overseeing the management of the school's assets, including facilities, equipment, and investments, to ensure proper maintenance and utilization.

6. Collection and recording of money

6.1 Underlying principles

- a. The SGB shall appoint a Financial Officer, in writing, for the school.
- b. Only the Financial Officer shall be assigned with the collection and recording of school funds from the learners.
- c. All collected money in the school shall be paid into the school account within 24 hours.
- d. The Financial Officer shall be issued with a receipt cash book to record the collected money.
- e. The Financial Officer shall control and record, in a receipt cash book and the payment cash book, all collected and expended money, respectively, on a daily basis.
- f. The records of all collected money shall be submitted to the Treasurer of the SGB for filing and safekeeping.

- g. Deposit slips should be properly completed, and the deposit slip totals should be balanced with the receipt cash book totals prior to the banking of the money
- h. Where a person other than the Finance Officer or Principal accepts responsibility to deposit money at the bank, that person should check the money to be deposited against the deposit slip details, and should co-sign the deposit slip as evidence thereof; and
- i. Arrangements for depositing money must be varied to reduce the risk of loss through robbery. The Finance Officer or Principal must transport money to be banked accompanied by a different member of staff on each occasion.
- j. All income should be recorded in the receipt cash book, and expenses in the payment cash book daily
- k. Arrangements should be made to obtain bank statements on the last day of each calendar month. The cash books should be balanced and reconciled to the bank statements monthly
- l. The bank reconciliation should be given to the SGB or the person/s nominated by it for checking and control at least three days prior to the SGB's monthly meetings. The person/s checking must sign the reconciliation to indicate that they have checked it.
- m. The receipt book should be ruled of (in red ink) at the moment when money is banked. The date, series of receipt numbers and amount being banked should be clearly indicated. Similar balancing should be done in the accounting records, specifically the Receipt Cash Book before the money is banked.

6.2 School fees

- a. No learner may be refused admission to the school on the grounds that his/her parent/guardian is unable to pay or has not paid school fees.
- b. The SGB shall exempt parents who are unable to pay school fees under the following conditions:
 - I. Proof of financial hardship demonstrated by official documentation
 - II. Submission of a formal request for fee exemption to the School Governing Body (SGB)
 - III. Consideration of the family's financial situation and ability to pay by the SGB
 - IV. Compliance with any additional criteria or requirements set forth by the school's fee exemption policy.
 - V. Communication with parents to discuss alternative solutions or support services that may be available to assist with fee payment challenges.

VI. Review of the school's fee exemption policy and guidelines to determine eligibility criteria.

- c. School fees shall be paid to the school by learners/parents and be issued with an official stamped school receipt.
- d. School fees for the coming year will be set no later than October of the current year at a budget meeting
- e. A discount of 10% will be given to parents who pay once off the annual school fees and 5% to those who will pay half of the annual school fees
- f. When payment is made, the name, surname and grade of the learner must be written on the receipt.
- g. The receipt must be issued immediately to the payer
- h. Parents that cannot afford to pay school fees will have to apply for exemption from paying school fees and only the SGB chairperson may approve this application.

6.4 Issuing of receipts

- a. Receipts shall be issued in numerical order as a standard financial recording practice.
- b. The payer shall be issued with the original receipt and the office keeps the copy thereof.
- c. The receipt shall contain all the required details in ink.
- d. The receipt shall contain the following information:
 - I. Full names and surname of the payer.
 - II. Date on which payment is being made.
 - III. The amount is to be written in words and figures.
 - IV. The reason for the payment is to be stated e.g. trip, sports, fees etc.
 - V. The nature of payment e.g. cash, cheque etc.
- e. No alterations shall be made on a receipt. Should a mistake be made on the receipt, such a receipt shall be cancelled on both the original and the copy/duplicate.
- f. A receipt shall be issued for any amount that is collected and all cash surpluses recorded.
- g. A new receipt shall be issued in the case of a previously dishonoured cheque and the payment should be reversed in the cashbook.
- h. In the case of a post-dated cheque, a receipt should be made out when the amount can be available. Post-dated cheques must be kept in a safe place until they are deposited in the school account.
- i. The date, series of receipts numbers and the amount banked should be clearly indicated.
- j. The receipt book should be ruled off in Red ink at the point when the money is deposited.
- k. The date, series of receipt numbers an amount being banked should be clearly indicated.

- I. Similar balancing should be done in the accounting records, specifically in the receipt cash book, before money is deposited.
- m. Accounts must be updated immediately upon receipt of money.

6.5 Depositing of money

- a. Deposit slips should be properly completed and balanced with the receipt cashbook.
- b. The Financial Officer or the Principal shall be responsible for depositing all monies in the bank.
- c. Ways and arrangements of banking money should be varied to reduce the risk of loss through robbery.
- d. The Financial Officer or the Principal shall be accompanied by different people when going to bank the money.
- e. The school shall make arrangements with the bank to get the bank statements on the last day of each calendar month.
- f. The cashbook and bank statement shall be reconciled on monthly basis.
- g. The school shall open and operate a cheque account in an officially recognised South African Banking Institution.
- h. Monies should not be kept longer than 24 hours. Amount on hand should be banked immediately.
- i. In promoting safety, the school shall encourage parents to make direct deposits into the school bank account. In cases where parents deposit money directly into the school account, it is their responsibility to furnish the school with such proof.
- j. The Principal/Finance Officer must transport money to be banked accompanied by a different member of staff on each occasion, in order to reduce the risk of loss through robbery.
- k. After monies are deposited, the deposit book should be signed off by the Principal/Deputy Principal.

7. Payments

- a. No blank cheques shall be signed by any member for whatever reason.
- b. All payments made on behalf of the school, except petty cash, shall be made with a crossed cheque.
- c. There shall be three signatories to the account and only two may sign at one time.

- d. No alterations shall be allowed on a cheque. Any cheque with a mistake shall be cancelled and marked as such.
- e. No cash received shall be used for payment before being deposited.
- f. All cheques shall be marked “not transferrable” and no cash cheque, except for petty cash, shall be written out.
- g. The school shall operate only one cheque book at a time.
- h. No cheque shall be written out if supporting documents are not attached or are not satisfactory.
- i. All non-routine expenditures shall require that a tender or three quotations be required before such a purchase or transaction can be authorised.
- j. The SGB shall approve all tenders or quotations submitted.
- k. All payment vouchers, cheque requisitions, bank statements, and paid cheques should be properly filed for audit purposes.
- l. Order books shall be recorded in the controlled stationery register.
- m. Order books shall be signed out by the designated person for that responsibility.
- n. Order forms shall be printed in triplicate and be pre-numbered.
- o. The school stamp shall be used to stamp all original and duplicate financial transaction books.
- p. All payment vouchers and bank statements should be properly filed for audit and reference purposes.
- q. All payments should be done via EFT only.
- r. All EFT payments must be approved, either on a payment requisition, or on the creditor approval stamp
- s. A bank reconciliation statement must be drawn up by the finance officer at each month end and signed by the SGB Treasurer.

8. Withdrawal of money

- a. Only the authorised signatories shall authorise or make withdrawal in the school financial account.
- b. All withdrawals shall have the authorisation of the SGB.
- c. If no permission was granted prior to the withdrawal, then all the full details of the reason for the transaction shall be submitted to the SGB for consideration and acceptance.
- d. Signatures of the withdrawers shall be appended on the slip.
- e. The withdrawals of the school shall not be done in a non-systematised manner.

- f. Proper documentation, such as a withdrawal request form, may be necessary to initiate a cash withdrawal from the school account.
- g. Cash withdrawals should be made for legitimate purposes related to school activities or expenses, and supporting documentation may be required to justify the withdrawal.
- h. Detailed records of all cash withdrawals must be maintained for auditing and accountability purposes.
- i. A daily limit shall be set to avoid theft.
- j. Strict protocols to ensure that cash withdrawals are properly accounted for and that there is a clear trail of documentation for each withdrawal.
- k. Security measures shall be in place, such as secure lockboxes or safes, to store cash and ensure its safety before and after withdrawals.

9. Petty cash

- a. The school shall keep a maximum of R3000.00 for use by the school for all its petty cash payments requirements.
- b. Petty cash shall be utilised economically as its replenishment requires the availability of the account signatories who may not be readily available at all times.
- c. No advances may be made out of petty cash.
- d. Only the financial Officer, the Principal or any other designated person may have access to the petty cash.
- e. Any petty cash paid out shall be replaced with the appropriate petty cash voucher.
- f. Petty cash shall be balanced and reconciled on monthly basis.
- g. The school petty cash shall be kept in a safe place at all times.
- h. The petty cash voucher book must be used for approval of petty cash.
- i. At the end of the school year, the petty cash book must be closed off and all unused petty cash money must be deposited back into the school bank account.
- j. The petty cash officer will be held responsible for any shortage in the petty cash float
- k. The petty cash officer is responsible for safeguarding the key of the petty cash box
- l. All payments made from petty cash must be recorded in the petty cash book as payments immediately.
- m. Before any payment is processed the petty cash voucher must be completed indicating full details of the expense.

10. Financial reporting

- a. The financial year of Kingdom Rise Academy School runs from January to December of each year.
- b. Monthly and yearly financial reports shall be compiled and shall include all income, expenditures and the statement of the bank account balance sheet.
- c. The SGB shall hold a parents meeting between the months of January and October of each year to present a financial report of the school to all parents.
- d. An audited financial statement of the school shall be presented to the SGB within two months of the end of the previous financial year.
- e. The SGB shall appoint a duly qualified person, who is not a member of the SGB, to audit the financial books of the school.
- f. The school shall adhere to sound financial reporting practices.
- g. Income and expenditures statements to be submitted to the Chairperson and Treasure
- h. Financial statements should be prepared monthly for submission to the SGB or person/s appointed by it for reporting purposes.
- i. The statements should be distributed at least three days before the monthly meeting of the SGB.
- j. The FINCOM must present the quarterly report to the SGB.
- k. The audit must be completed by the end of the first school term.

11. Budgeting

- a. According to Section 38 of the South African School Act:
 - i. A governing body of a public school must prepare a budget each year, according to guidelines determined by the Member of the Executive Council, which shows the estimated income and expenditure of the school for the following financial year.
 - ii. Before a budget is approved by the governing body, it must be presented to a general meeting of parents convened on at least 30 days' notice, for consideration and approval by a majority of parents present and voting.
- b. The annual budget must be drafted by the SGB or a person duly authorised by the SGB to do so.
- c. The budget must be presented to the Annual General Meeting of the parents for their adoption and approval.
- d. The AGM shall be held between July and November of each year.

- e. The school budget shall be informed by the needs of the school which seek to address the stated vision and mission of the school.
- f. The budget shall only be drawn once the aims and goals of the school for the specific financial year have been identified and agreed upon.
- g. The responsibility of controlling the budget rests with the SGB.
- h. The day-to-day administration of the budget rests with Financial Officer or the Principal as authorised by the SGB.
- i. The school budget shall be in line with the stipulations of the Public Finance Management Act (PFMA) and departmental regulations and policies.
- j. The finance officer will request and receive all budget requests from educators, non-educators, and other stakeholders.
- k. The finance officer will present these requests to the finance committee.
- l. The finance committee will review each request and prepare a draft budget.
- m. The finance committee presents the draft budget to the SGB for discussion and approval
- n. The SGB approved budget will be presented to the parents at the AGM for their final consideration and approval.

12. Raising of funds for the school

A fundraising policy shall be developed and adopted by the SGB. The following directives shall furthermore be accommodated in details in the fundraising policy of the school.

12.1 The school is allowed to come up with acceptable activities that seek to raise funds for the development of the school and its activities. The SGB adopts the following strategies to raise funds for the school:

- a. Organizing fundraising events such as bake sales, fun fairs, auctions, or charity walks.
- b. Seeking sponsorships from local businesses or community members for school events or programs.
- c. Setting up a donation drive or crowdfunding campaign to collect funds from parents, alumni, and supporters.
- d. Applying for grants and funding opportunities from government agencies, foundations, or educational institutions.
- e. Selling school merchandise such as t-shirts, mugs, or calendars with the school's logo.

- f. Hosting online fundraising campaigns through social media platforms or crowdfunding websites.

12.2 Fund-raising activities shall be managed in the following manner under the supervision of the designated responsible person/committee:

- a. The responsible person/committee shall plan and coordinate all fundraising activities, ensuring they align with the school's goals and values.
- b. Proper budgeting and financial management practices shall be followed to track expenses, revenue, and ensure transparency in financial transactions.
- c. All fund-raising activities shall comply with relevant regulations and guidelines.
- d. The responsible person/committee shall maintain accurate records and provide regular updates on fundraising progress.
- e. Effective communication strategies shall be implemented to promote fundraising events, engage stakeholders, and encourage participation from the school community.
- f. The responsible person/committee shall evaluate the success of fundraising activities, identify areas for improvement, and provide comprehensive reports to stakeholders on the outcomes.

12.3 The following strategies shall be implemented by the school for the involvement and participation of the community to raise funds for the school:

- a. Community Outreach Programs: Organize community outreach programs to raise awareness about the school's fundraising needs and encourage community members to get involved.
- b. Collaborate with Local Businesses: Partner with local businesses for fundraising events, sponsorships, or donation matching programs to leverage their support and resources.
- c. Volunteer Opportunities: Create opportunities for community members to volunteer their time, skills, or resources to support fundraising activities and events.
- d. Social Media Campaigns: Utilize social media platforms to promote fundraising initiatives, share success stories, and encourage community members to donate or participate in fundraising events.
- e. Community Events: Host community events such as fairs, concerts, or workshops that not only raise funds but also foster community spirit and engagement.

13. Effective date

This Finance Policy of the school becomes effective as from the date when it is adopted and signed into effect by the Chairperson of the SGB, Secretary of the SGB and the Principal of the school.

14. Conclusion

This Finance Policy is developed for purposes of streamlining and directing the administration of the financial affairs of the school. It addresses all the possible functioning of the school which have a bearing on the finances of the school. All those who are involved with the financial affairs of the school are expected to adhere to the directives of this policy at all times. Deviations from this policy shall constitute a violation of an official policy directive of the school and shall henceforth call for disciplinary action to be taken against such an individual.

