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The School Finance Policy

1. Purpose

This is the official Finance Policy of Blessed Perfect Academy. 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)

l. Raising of funds
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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 Treasure 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, one educator shall serve as a member on the Finance Committee.

f. The Principal of the school

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i. The finance committee consist of 5 members

3.2. 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 every 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.

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3.3. 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. Determining the cost of transport.
h. Recommend payments of claims.

4. Collection and recording of money

4.1. 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 3 working day(s).
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. Giving report to financial committee.
h. At least two members shall be responsible for banking.
i. They will give financial statement to the financial committee and the financial committee shall report to the SGB and the SGB will report to the parents.
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4.2. School fees

a. No leaner 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:

SGB shall exempt learners according to South African School Act.

c. School fees shall be paid to the school by learners/parents and be issued with an official stamped school receipt.

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4.3. 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:

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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.

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4.4. 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 Office 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.

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5. 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. Stipends paid for workers shall not be crossed.

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6. 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. The petty cash officer shall withdrawn monthly.
g. Withdrawals shall be done on an invalid voucher.
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7. Petty cash

a. The school shall keep a maximum of R1000.00 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 always be readily available.
c. No advances may be made from 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 always kept in a safe place.
h. Petty cash shall be paid after a claim has been made through a paid voucher.
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8. Financial reporting

a. The financial year of Blessed Perfect Academy 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 parent 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. Deviation from the budget shall be done on motivation to SGB.

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9. 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 but this does not apply fully to independence schools.

   ii. Before a budget is approved by the governing body, it must be presented to a general meeting of directors convened on at least 30 days' notice, for consideration and approval by a majority of Directors 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 Directors 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.

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10. 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.

10.1. 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. Parents have to agree to pay the Amount of {to be determine at PTA meeting) per learner for safety and general cleaning for the school.

b. The agreed Amount shall be reviewed yearly by the parents and SGB.

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

a. The Amount of (to be determined at PTA meeting) shall be charged for hiring the hall.

b. An amount which may change according to the purpose of fund raising will be charged.

c. Donations are accepted and new ideas towards fund raising are also welcomed.

d. The use of the money will always be transparent to the parents.

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

a. Tuck shop reinterred .

b. The hookers shall renter the schools service picking of papers should be a daily routine.

c. R10.00 per hooker on sports occasions

d. Electricity charge is R100.00 per year.

e. Responsibility of financial committee to raise funds.

f. Dress code

g. Contribution from the parents.

h. Hawkers.

11. 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.

12. 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 always adhere to the directives of this policy. 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.

This policy was adopted by the School Management on _____

This policy has been made available to school personnel and is readily accessible to parents and learners on request.

This policy will be reviewed and updated every year.

Signed_____ Date: _____
School Management

Signed_____ Date: _____
Principal

Signed_____ Date: _____
Educator Representative