



## FINANCIAL POLICY

Since 2006 the modus operandi has been according to the Western Cape Education Department (WCED) guideline *Basic Financial Manual for Schools*.

### 1. FINANCIAL COMMITTEE

#### 1.1 COMPOSITION

- \* The treasurer of the Governing Body (SGB) acts as chairperson of the Financial Committee – Mr Jaco van Tonder.
- \* Principal – Mr A Mostert and Deputy Principal – Mr Henri Potgieter.
- \* Learners' parents who have declared themselves available or who have been co-opted – Mr A Abdulla, Mrs M Lombard and Mrs E van der Merwe.
- \* Secretary who is also the financial official of the school – Mrs E Smit.
- \* Parent representation must always exceed that of the personnel.

#### 1.2 DUTIES OF MEMBERS AND TREASURER (names as stated above)

- \* Support the financial official.
- \* Monitor all income and expenditure, and bank balances at every meeting of the Financial Committee.
- \* Draft concept budget in collaboration with the principal after the account holders have submitted budgets, for submission to SGB and parent meeting.
- \* Make suggestions regarding investments and handling of Trust Fund.
- \* Make a recommendation regarding proposed school fees for a new year arising from the proposed budget.
- \* Make recommendations to SGB regarding partial or full exemption of the payment of school fees. Preparation and checking of applications are dealt with by a subcommittee, which must ensure that the applicants meet the requirements of the exemption schedules of the School Act.
- \* Monitor petty cash. Maximum amount of R2 000 is requested. As soon as funds are low, the amount is made up again. Summary of all expenditure is kept up to date.
- \* Make recommendations to SGB should amendments be necessary within the budget.

- \* Make recommendation to the SGB regarding the financial control of parent-teacher association (PTA) fundraising projects.
- \* Monitor activities of the tuck shop, the clothing shop and the aftercare center.
- \* Hold financial meetings one week prior to all SGB meetings. Minutes are submitted at SGB meeting.
- \* The treasurer, the chairman of the SGB and the principal check the asset register and sign it at the end of each school year.
- \* The treasurer and the chairperson verify the information and bank reconciliation as indicated on the 043 form at the end of each term.
- \* The treasurer collaborates closely with the auditor for the compilation of the financial statements, submission to the SGB for approval and submission to WCED.
- \* Revise Financial Policy and ensure its application accordingly.

## **2. PRINCIPAL**

- \* Serves on the Financial Committee and the SGB.
- \* Ensures that the account holders' budgets are submitted and finalises the provisional budget with the treasurer.
- \* Meets regularly with the account holders and ensures that they work within the budget.
- \* Signs the petty cash summary and ensures that petty cash is used for the right purpose.
- \* Responsible for compiling and submitting to SGB the salaries of governing body personnel.
- \* Responsible for submission of additional remuneration in terms of Section 38A.
- \* In conjunction with deputy principals responsible for merit bonuses of personnel.
- \* Approves all inventories.
- \* Authorised to approve deviations from the budget up to and including R1 000 with the necessary motivation.
- \* Is involved in all fundraising projects and also serves on the PTA.
- \* Executive official of the WCED
- \* Has power to sign all cheques of the school.
- \* Serves as trustee of the school trust.

## **3. FINANCIAL OFFICIAL**

- \* Records all income and expenditure pertaining to the school, aftercare, music, clothing bank, tuck shop, pre-primary as well as fundraising monies.
- \* Payment and recording of all electronic payments (after approval of principal).
- \* Recording of all electronic receipts.
- \* Salaries of personnel via EFT (receive information from auditor).
- \* Reconciliates at the end of each month.
- \* Co-responsible for follow-up of all school fees in arrears, handing over to attorneys if necessary and reporting during financial meetings.
- \* Attends to all inquiries of parents in connection with aftercare- and music fees.

Preparation of all relevant documents necessary for the financial meetings.

- \* Collaborates closely with the auditor and supplies all the necessary information to complete the audit and draw up financial statements.
- \* Handles monthly debit order system.
- \* Receives application for partial exemption, verifies information, and submits to subcommittee for approval. Handles all correspondence after applications have been approved and/or rejected by the SGB.
- \* Ensures safeguarding of all financial statements and proof of evidence.
- \* Ensures that no monies kept in the safe overnight exceed the insurance limit. If so, make arrangements with the insurance company.
- \* Supplies account holders with printouts on a monthly basis.
- \* Acts as secretary of the financial committee.
- \* Ensures that all grants/donations are entered in the register.
- \* Responsible for the budgeting process. Drafts budgeting procedure.
- \* Collects information of account holders. Prepares spreadsheet. Submits it to principal.
- \* Arranges meeting with treasurer and subcommittee (if applicable) for finalising before it is finally approved at a joint financial committee and SGB meeting for submission to the parents.
- \* Prepares Section 38 and submits it to the principal for approval.
- \* Calculates merit bonuses after the principal and deputies have finalised the marks.
- \* Prepares Section 18 summary at the end of the financial year and keep ready for audit by District Office.

#### **4. SECRETARIES (reception)**

- \* Receive funds and issue electronic receipts.
- \* Receive sundry funds (camp, music, fundraising monies, etc.)
- \* Make up bank and balance pay point on a daily basis.
- \* Deposit on a daily basis (if enough funds have been received).
- \* Issue cheques and file proof.
- \* Purchase all supplies for the office.
- \* Keep petty cash checked by the principal up to date. Total available R2 000.00
- \* Approved at SGB meeting of 6 February 2006)
- \* Safeguard payment forms used by educators for receipt of monies. (Do not make use of receipt books owing to cost aspect.)
- \* Keep contracts up to date and give information concerning salaries to auditor in order to enable him to process salaries.
- \* File cheques numerically for auditing purposes.
- \* Handle personnel contracts and leave.
- \* Handle Cemis.
- \* Answer telephone and receive parents at reception desk.

## **5. DEBTORS' CLERK**

- \* Assists financial official.
- \* Responsible for collection of monthly school fees.
- \* Issues accounts and follows up.
- \* Draws up reports when necessary.
- \* Follow the collection policy to recover monies in arrears.
- \* Communicates with parents if and when necessary.
- \* Prepares accounts for handing over to attorneys.
- \* Handles all telephone enquiries in connection with school fund.

## **6.1 AUDITOR (MR P DOWNING OF DOWNING & PARTNERS BELLVILLE)**

- \* Audit of financial records against School Act, general acceptable accounting practice and financial policy.
- \* The auditor is not responsible for the bookkeeping, but only for compiling of year-end journals and year-end adjustments and the drawing up of financial statements.
- \* The auditor of the school is appointed in writing.
- \* All necessary and relevant information and proof is made available to auditor by no later than 31 March. The final audited statements are submitted to the Education District Office before or on 30 June.
- \* The auditor is responsible for salaries on VIP. He provides a printout with the salaries to the financial official on a monthly basis. The financial official in turn processes it via EFT. All proof in this regard is safeguarded. Payment of salaries is affected on the 15<sup>th</sup> of each month.

## **6.2 AUTHORITY TO SIGN**

The persons, who are authorized to sign cheques and approve electronic payments, must consist of the principal and one of the two deputy principals.

## **7. HANDLING OF FUNDS DURING FUNDRAISING PROJECTS**

- \* When money is received by educators for, for example spelling Olympiads, trolley dashes, camps, the "red tin system" is used. Grade head places money and control lists in tin and sends it (locked) to safe for safeguarding. Money is then removed by the responsible person and banked. At the end of a project receipts are balanced against control lists.
- \* Care is taken not always to involve the same parents in the handling of funds. Where possible the secretary/secretaries also helps/help.

## **8. PTA FUNDRAISING PROJECTS: PROCEDURE FOR COLLECTION OF MONEY**

- \* Learners give money to educators.
- \* Educators complete a form to indicate what kind of fundraising project it is.
- \* The total receipts of the day are indicated on the form.
- \* The money and the forms are placed in an envelope or plastic sleeve and then in the red tin of the specific grade.
- \* The head of the grade sends the tin (locked with a lock) to the office.
- \* The PTA member responsible for counting the money and making up the bank collects the tin from the secretary.
- \* In the office there is a spare key for each tin and the secretary then unlocks the tin for the person.
- \* Each class and each learner's money entered on the form are checked.
- \* The PTA treasurer is in charge of the banking.
- \* Also make use of Karri Application since 2019.

## **9. REQUEST FOR AN ADVANCE FOR A FUNCTION**

- \* Cash to a maximum of R2 000 may be requested.
- \* Applicant signs for the money received.
- \* Advance is repaid after the function with proof of all purchases.
- \* Receipt is issued and surplus, if any, is banked.

## **10. PTA**

- \* The PTA is solely responsible for fund-raising.
- \* All projects must be approved by the SGB.
- \* All monies are reflected and audited in the bookkeeping system of the school.
- \* All expenditure is authorised and controlled by the treasurer of the PTA and the principal.

## **11. BUDGETING PROCEDURE**

Dates on which the various steps are finalised are revised each new year:

- \* Financial official reconciles books. Month of commencement of budgeting process may change from year to year depending on the budgeting process.
- \* Printouts to account holders with request to check carefully.
- \* Last day for journals/amendments
- \* Completed budgeting forms handed out at budgeting meeting (date to be determined).
- \* Financial official/principal hands new governing body salaries to treasurer.

- \* Principal/financial official and treasurer check budget and refine/amend/adjust where necessary.
- \* Special financial committee meeting for approval
- \* Final approval at SGB meeting
- \* Notice to parents of budgeting meeting with date and time
- \* Provisional budget available for parents at school
- \* Budgeting meeting with parents
- \* Notice to parents regarding newly determined school fees
- \* Special SGB meeting should adjustment have to be made

## **12. BUDGET ACCOUNT HOLDERS**

- \* Different accounts are entrusted to certain staff members (hereinafter referred to as account holders). Account holder budgets for the year, must make purchases within the budget and exercise control.
- \* Once the SGB has approved the budget, the account holder has the authorisation to continue with the purchases as requested except for large purchases which must first be discussed with the principal.
- \* Upon receipt of purchases the invoice must be signed, the cheque/internet payment form must be completed and presented for payment. Internet payments are approved before payment and cheque payments are approved upon signing of cheque.
- \* Purchases under R5 000 do not need quotations. R5 000 plus must request 2 quotations and R10 000 plus 3 quotations. The cheapest quotation is not necessarily accepted. If the school has previously made use of a supplier and the quality and/or service delivery is good, a more expensive quotation may be accepted. It also sometimes happens that uniformity must be maintained. Should the cheapest quotation not be used, this must be approved by the principal.
- \* Capital items are prioritised by the SGB. Priority 1 may be purchased. Requests beyond the budget must be submitted to the SGB.
- \* Should an account for any reason have to be overspent, prior permission must be obtained from the SGB. The decision is then also recorded in the minutes.
- \* Account holders are supplied with a summary of a payment form which must be kept strictly up to date.

## **13. LEASE**

### **LEASE OF HALL/GROUNDS**

- \* Lease is signed at commencement and continues until the lessee concerned gives notice.
- \* Should the school require the facilities involved, the lessee is notified in good time and alternative accommodation is offered.

- \* The contract stipulates that should any dishonesty be suspected with transfer, the contract will be cancelled immediately.
- \* The contract stipulates that the school does not accept any liability for any injury that may occur during the use of the hall/grounds by the lessee concerned.
- \* Venues are provided free of charge to personnel for music tuition on condition that the school determines the fees.

#### **14. KEEPING UP OF AN INVENTORY**

- \* The inventory is divided up in small sections managed by an inventory holder (IH – Mrs. Clark).
- \* IH is responsible for counting the items, purchasing new stock and the writing off of broken and obsolete items.
- \* IH must do inventory stocktaking once a year – usually in May.
- \* Leader team helps IH to count and control the stock.
- \* Inventory is adjusted regularly and submitted to EMDC.
- \* When new items are bought, invoices are filed for safekeeping.

#### **15. APPROPRIATION BOARD**

- \* Stock written off is recorded and sent to the principal (Mr A Mostert) and the SGB (chairperson – Mr D Opperman) for approval. Adjusted only after approval.
- \* When an IH leaves the school, the inventory must be signed over to the following responsible person.

#### **16. TRAVELLING EXPENSES**

- \* If school transport is not available, educators may make use of own transport and then claim for expenses.
- \* Must make use of the prescribed form.
- \* Controlled by deputy principal and approved by principal before fixed fees are paid.
- \* The amount per km is determined by the SGB – try to keep to AA standards.

#### **17. TRUSTEES OF THE PANORAMA BURSARY SCHOOL TRUST**

- \* Composition: Chairperson of SGB, principal, treasurer, member of personnel serving on the SGB
- \* May inspect expenditure of trust funds.
- \* Signing rights: One person of SGB and one of the school must sign jointly.
- \* Ensure that no school funds are paid into trust fund. Only donations and/or PTA money.

## **18. TUCK SHOP**

Outsourced.

## **19. CLOTHING SHOP**

- \* Person appointed to run the clothing shop is remunerated for services.
- \* Person responsible for all purchases, requisition of quotations.
- \* Delegated person on financial committee controls purchases, sales, stock, etc.
- \* Separate sub-account kept for clothing shop by financial official.
- \* Stock bought on account of school.
- \* Open only during fixed hours.
- \* Clothing shop has an alarm system.

## **20. SCHOOL FUND / COLLECTION POLICY / APPLICATIONS FOR PARTIAL EXEMPTION**

### **20.1 SCHOOL FUND**

After the budgeting meeting with parents are notified per post of the school fund payable for the coming year.

### **20.2 COLLECTION POLICY**

- \* Parents are liable to pay school fees in terms of Section 40 of the Act.
- \* If parents do not make payment for 2 consecutive months, then a letter of demand is sent out.
- \* Fourteen (14) days after demand letter – if full arrears balance is not received / no repayment arrangement concluded/exemption application received, a final notice will be sent.
- \* If after 7 working days, full arrears not settled, written notice given to parent in terms of Section 41(5), calling up the full outstanding balance for the year.
- \* Failure to pay within 3 months will result in legal action being instituted to recover school fees.

### **20.3 APPLICATIONS FOR PARTIAL EXEMPTION**

- \* At the end of the year and again at the beginning of a new year, parents are requested to submit application forms for partial exemption before the end of January. Ad hoc applications are, however, still dealt with. Application is checked by sub-committee and a recommendation is submitted to the SGB.
- \* Applications are checked in detail by the sub-committee and submitted to the financial committee which makes a recommendation to the SGB.



- \* In selected cases, should a parent qualify for exemption for a full year, he/she may be requested to supply new information by July or to confirm the current information.
- \* Where a parent has requested postponement, but qualifies later that year, the application is valid retrospective to the date of the application.
- \* School fund letter states that applications must be submitted before the end of January.
- \* Parents are informed in writing of the outcome.
- \* Should a parent not keep to the date of his/her portion of the payment, the handing over of the arrears account is dealt with in the same way as other handing overs. Parents are handed over only for that portion for which they are responsible.

## **21. REPAYMENT OF SCHOOL FUND IF NECESSARY**

- \* Should a parent have paid the school fund in advance for a full year and the learner(s) leave(s) the school before the end of the year, the fees for the rest of the year that the learner does not attend the school, are paid back.

## **22. GRANTS / DONATIONS / SPONSORSHIPS**

- \* The principal is informed of all grants/donations/sponsorships.
- \* A Section 18 receipt is issued for all grants/donations/sponsorships. The receipt can be used for tax purposes.
- \* If it is cash and not specified, it is allocated to other income.
- \* If it is specified e.g., Computer purchases, it must be approved by the SGB, and budget must be amended if necessary. It must then be insured and placed on the inventory.

## **23. ADDITIONAL REMUNERATION**

- \* Budgeted
- \* Application made to WCED for approval in accordance with Section 38A and is controlled meticulously by the principal.
- \* Any overspending of a section is deducted from the amount set aside for merit bonuses. All underspending is added to the merit bonuses.
- \* Merit bonuses are determined by the principal and deputy principals.
- \* Merit bonuses are submitted to the SGB for approval.
- \* SGB determines the principal's merit bonus.

## 24. FRAUD AND CORRUPTION PREVENTION COMMITTEE

Consists of:

Chairperson of SGB, principal, financial official, one deputy principal and one post level 1 personnel member.

\* Special attention is paid to:

FRAUD: Misapplication of money  
Irregular allocation of funds  
Handling of confidential information  
Manipulation in respect of allocation of contracts  
Issuing of receipts  
Theft  
Personal use of school property  
Misuse of internet / sms / telephone services  
Dishonest or suspicious behaviour  
Leave forms

CORRUPTION: Favours for friends/colleagues  
Evasion of protocol  
Manipulation of results  
Preferential treatment  
Kickbacks  
Nepotism  
Funding of personal expenditure  
Presents – favouring  
Manipulation of purchasing  
process/specifications  
Forgery of documents

## 27. CONTROL MEASURES

- \* Control measures are such that they are preventative, exploratory and rectifying.
- \* Effective management is applied.
- \* Internal financial control takes place.
- \* Compliance with legal prescriptions (EMDC and WCED)
- \* Separation/**segregation** of duties
- \* Appointment of capable and reliable personnel for the PTA and SGB
- \* Personnel realise that they have limited responsibilities and must be approved by the principal and SGB.
- \* Access to documents and assets is controlled.
- \* Financial documentation safeguarded for 5 years.
- \* Regular back-ups are made of all computerised bookkeeping.
- \* Quarterly stocktaking is done.
- \* Transparency is promulgated.

## 26. FINANCIAL PACKAGE

The school uses Pastel for bookkeeping.

## 27. BANKING DETAILS OF SCHOOL

The bank particulars of the school are as follows:

ABSA, Parow	
Account name:	Panorama Primary School
Account number:	390491441
Branch code:	632005
Type of account:	Cheque (current) account

## 28. BANK ACCOUNTS

Nedbank  
Absa Current  
Absa 32 days' notice  
Absa Call account

Credit card: The credit card is only used by the Principal. The use of the credit card should be limited to the reception of sponsors, institutions, suppliers and staff. There is also a limit on the credit card, but the card may only be used up to the maximum of the budget allocated to the Principal for entertainment.

ATM card: This card is only used for petty cash purposes and has a limit of R2 000.00 per day. Mrs A Coetzee is solely responsible for this card.

## 29. REMUNERATION GOVERNING BODY POSTS

- \* Conditions of appointment according to contract signed by every person.
- \* Payment of salaries done via EFT which is handled by the financial official.
- \* Payment takes place on the 15th of each month.

## 30. PRIVATE PURCHASES

- \* No private purchases whatsoever are allowed.
- \* Strict measures are applied to ensure that no private purchases can be made.

### **31. AFTERCARE FEES**

Aftercare fees are payable for 10 months (February – November) and must be paid promptly every before the 1<sup>st</sup> day of the month.

The same discount/rebate option also applies to aftercare, equal to that of the school fund. It can vary every year and is communicated to parents after the budgeting meeting.

If a parent makes use of the aftercare service, a debit order is compulsory. Fees vary per year as determined and approved by the Governing Body.

Penalty fees: If parents are late in fetching their children. Only this money is entered in the receipt book. All the money for penalties is recorded carefully, as the money is withdrawn again in June and December to be divided among the aftercare personnel for services rendered after hours.

Holiday money: If learners attend the centre during school holidays, an additional amount per learner per day is payable over and above the normal fee for aftercare. A receipt is also given for this money, and it is deposited in the bank account. The budget makes provision for holiday art materials which the learners may use. Each learner is given the opportunity to make an artwork to take home every day. Learners also experiment with food that they can then have for lunch.

#### **AFTERCARE POLICY:**

Should the aftercare money not be paid, the parent will receive one request via an account statement or a telephone call or a sms. If payment is not made immediately, the parent will be informed that the service will be terminated immediately. Learners on the waiting list will then fill the vacancy immediately.

### **32. MUSIC FEES**

Music fees are payable on the first day of each term.

### **33. PROVISION: EFT PAYMENT OF ACCOUNTS**

If an existent client, whose account is settled electronically, changes hands and the banking details change, it remains the account holder's duty to notify the office that the banking details have changed.

Should the account holder neglect to inform the office of the amendment of banking details and payment is made to a wrong person and/or organisation, the account holder will be held responsible for the wrong payment.

.....  
ANTON MOSTERT  
PRINCIPAL

.....  
DEWALD OPPERMAN  
CHAIRPERSON  
GOVERNING BODY