

## 27. CASH MANAGEMENT POLICY

### Purpose:

The Board of Trustees accepts that it has a responsibility to protect the cash resources of James Hargest College. The Board of Trustees has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Principal.

1. In the formulation and approval of this Policy the Board of Trustees has had due regard to the accepted standards of sound financial management and applied these to James Hargest College.
2. The Board of Trustees requires the Principal, as the Chief Executive and the Board of Trustee's most senior employee, to implement and manage this Policy. The Principal may, from time to time, further delegate some of their responsibilities, and all such delegations must be attached as appendices to this policy.
3. This Policy must be read in conjunction with other Board of Trustees Policies, and the exercising of all authority and responsibilities conferred under this Policy must be in accordance with the Schedule of Delegations and may not exceed an individual's established level of delegated authority.

### Procedure:

#### Cheque and Call Deposit Accounts

1. The Board of Trustees agrees that one bank using one base number for all accounts shall be operated for Board of Trustees general receipts and payments.
2. The signatories to the bank account can only be made up as follows:
  - the Board of Trustees Chairperson
  - the Principal
  - Members of the Senior Leadership Team
  - Finance Committee Board of Trustees members
  - Executive Officer
3. For online banking, direct credits must be authorized by two independent approved signatories from above, who are delegated as authorisers for online banking (these must not be the people who input the payment-user status only).
4. Under no circumstances is a cheque signatory to sign a blank cheque.
5. All cheques must be issued as 'Not Transferable - Account Payee Only'. Signed by two of the approved signatories.
6. At no time shall the cheque account be operated in overdraft.
7. All investment and interest bearing deposit accounts shall be operated to hold cash resources not currently required for operating purposes. This account is only to be operated by the Principal or Executive Officer with any transactions reported by the Principal at the next Board of Trustees meeting.

#### Investments

1. Investments of James Hargest College funds may only be made in accordance with the terms of Section 73 of the Education Act 1989.

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2. Notwithstanding the requirements of Section 73, no investments may be made in equity stocks, currency markets or in synthetic money market products (e.g. Forward Rate Agreements and Interest Rate Swaps Options and Futures,). With the exception of Farmlands share capital.

### **Fundraising**

1. The Board of Trustees acknowledges that under Section 73 of the Education Act 1989 some professional fundraising contracts constitute an illegal fundraising contract. No such fundraising contract will be entered into by James Hargest College. If doubt exists about the legality of a proposed fundraising contract, the Principal will contact the regional Financial Adviser of the Ministry of Education for advice.

### **Cash Receipts**

1. All cash and cheques received must be paid into James Hargest College office and properly receipted. This includes trading income, other local funds receipts and reimbursements for learning materials.
2. No cash received can be used to pay accounts in cash.
3. Only delegated staff may handle cash.
4. All receipts must be banked as soon as possible and preferably within the week of receipt.
5. All cash and cheques kept on the premises must be kept secure and under the control of a delegated person.
6. All cash and cheques **must** be receipted.

### **Accounts for Payment**

1. All accounts for payment, other than expense reimbursements and attendance fees, must be supported by a copy of the:
  - Invoice, with certification by the person ordering, who holds correct delegation for the level and type of expenditure; that each item has been received, prices and quantities are correct and the payee details are correct.
2. The invoice must be certified by the person who authorises the expenditure.
3. An expense claim should be supported by GST invoices.
4. All staff expense claims must be authorized by the Principal except the Principal's claim which must be authorized by the Board of Trustees Chair.

### **Accounting Records**

1. The Principal shall arrange for proper accounting records to be maintained. The records must satisfy all requirements specified in Acts of Parliament, financial reporting standards and other applicable standards.
2. The financial system must be so organised by the Principal that the Principal and Chairperson can sign without hesitation the annual Statement of Financial Responsibility as required by Section 155 of the Crown Entities Act 2004.

### **Periodic and Annual Financial Statements**

1. James Hargest College is contracted to a service provider for annual financial statements.
2. Statement of Financial Performance, including comparison to budget and expected financial result at year end
3. For each month the Executive Officer shall present a written summary report that describes:

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- key (financial) achievements from the previous month
  - expectations for the remainder of the year and
  - significant matters and/or risks that must be addressed by James Hargest College.
4. This report shall be presented to the Finance Committee three days prior to the monthly Board of Trustees meeting.

**Ratified by the Board of Trustees  
20<sup>th</sup> August 2020**

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