

## 27. CASH MANAGEMENT POLICY

### Introduction

1. The Board accepts that it has a responsibility to protect the cash resources of the school. The Board has agreed on the fundamental principles of this policy, and has delegated responsibility for the implementation and monitoring of this policy to the Principal.
2. The Board requires the Principal, as the Chief Executive and the Board'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 policies. 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.

### Bank accounts

4. Under section 158 of the Crown Entities Act, all money received by a school/kura must be paid, as soon as practicable after it is received, into the bank account of the school/kura. All bank accounts held by the school must comply with Crown Entities Act 2004 requirements at all times
5. The Board agrees that one bank account shall be operated for Board general receipts and payments. Depending on the size of the school and its functions the school may require other bank accounts to operate.
6. The same procedures shall apply to electronic banking as to operating a manual bank account, with emphasis on restricting access to banking information. Users have secure password for internet banking that are kept safe. Passwords should not be shared amongst staff and should be updated regularly.
7. The signatories on the bank account can only be made up as follows:
  - Board of Trustees Presiding Member
  - Principal
  - Members of the Senior Leadership team
  - Executive officer
8. Separate at-call deposit accounts shall also be operated for fixed asset replacement, cyclical maintenance and other reserves as specified in the Board's policies for these matters.
9. Bank reconciliations should be independently prepared and reviewed at least monthly (weekly for larger schools/kura).
10. At no time shall the accounts go into overdraft

### Trust fund accounts

11. A separate bank account and call deposit accounts shall be used for funds held by the board in trust for donor-specified purposes i.e. cluster funds (Resource Teacher of Learning and

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Behaviour). The terms and conditions for the operation of these accounts shall be the same as for the general operating account referred to above.

### Investments

12. Investments of school funds may only be made in accordance with the terms in section 154 of the Education and Training Act 2020.
13. Notwithstanding the requirements of section 154 of the Education and Training Act 2020, no investments may be made in equity stocks or in synthetic money market products (e.g. forward rate agreements and interest rate swaps) or crypto.
14. Investments may only be made with the written authorisation of the Principal and the Presiding Member or Finance Committee Chair

### Fundraising

15. The Board acknowledges that under section 154 of the Education and Training Act 2020 some professional fundraising contracts constitute an illegal fundraising contract. No such fundraising contract will be entered into by the school. If doubt exists about the legality of a proposed fundraising contract, the Principal should contact their School Finance Adviser of the Ministry of Education for advice.

### Cash receipts

16. Schools should encourage electronic payment for fees, donations and invoices rather than cash payment. Cash should be stored in a secure location that few employees have access to. Any cash should be banked as soon as possible.
17. All cash received must be paid at the school office and properly receipted. This includes trading revenue, other local funds receipts and reimbursements for learning materials.
18. Only staff holding delegations may handle cash. No cash received can be used to pay accounts in cash.
19. When any banking deposits are received, they shall be receipted, and a deposit slip raised by a second person to ensure there is a separation of duties. If this is not available due to the size of the school, then the Principal or Presiding Member should check the deposit amount reconciles to the banking slip.

### Accounts for payment

20. All accounts for payment, other than expense reimbursements and attendance dues, must be supported by a copy of the:
  - the invoice, with certification by the purchaser that each item has been received or service provided, prices and quantities are correct, and the payee details are correct.
  - before paying any large amounts, they shall be checked against the suppliers banking details to ensure there has been no alteration of previous banking details
  - extra caution shall be taken when remitting funds overseas
  - never rely on email or electronic instructions to pay accounts. Always check with the authorising person to see if the payment is bona fide.

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21. There must be a separation between the person authorising the order and the person certifying/approving the invoice for payment. Payments require two approvals before they can be made.
22. The supplier bank account details loaded into internet banking must match those on the invoice and the school should verify that it is a legitimate supplier before authorising the payment schedule. All changes to the supplier master file should be checked against supporting documentation by a second person.
23. All expenditure must have supporting documentations, approved and authorised before it is paid. Any expenditure should be in line with the delegation policies and budget set by the board and approved by the person responsible, e.g. Principal or Head of Department. All expenditure should be approved by the person one-up e.g. the Principal's credit card should be approved by the Board.
24. Expense reimbursements must be certified by the person responsible, e.g., Principal or Head of Department of the individual being reimbursed, provided the certifier has delegated authority to sign. An expense claim should be supported by GST receipts or tax invoices. Claims for the use of private motor vehicle usage must be certified by the principal or delegate to indicate that approval was given. The latest mileage rates as per Inland Revenue guidance are to be used.

#### **Petty cash**

25. Petty cash records are prepared with the basic information contained showing the use of the money and by whom, the nature of the expenditure, general ledger code, and authorisation signature blocks.
26. A petty cash fund can be a convenient method of meeting daily incidental cash needs of a school and the float amount will depend upon the size of the school/kura. Most school/kura payments should be made using electronic banking and therefore only a small amount of cash should be held. The Ministry recommends no more than \$200.
27. Reimbursement claims will generally be done by direct credit, but on occasion from petty cash and must be accompanied by receipts and approval for the expenditure. At the end of the month the petty cash account should be reconciled and coded to the general ledger and the petty cash account topped up back to the float amount.
28. request. The Board requires that the Principal arrange for all new staff to be made familiar with this policy and other policies approved by the Board.

**Ratified by the Board of Trustees**  
**21<sup>st</sup> September 2023**

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