

Pakuranga College Finance and Property Policies

Date Reviewed: September 2020

Next Review Date: September 2023

National Administration Guideline 4 – Finance and Property

According to legislation on financial and property matters, each Board of Trustees is also required in particular to:

- (a) Allocate funds to reflect the college's priorities as stated in the charter;
- (b) Monitor and control college expenditure, and ensure that annual accounts are prepared and audited as required by the Public Finance Act 1989 and the Education Act 1989; and
- (c) Comply with the negotiated conditions of any current asset management agreement, and implement a maintenance programme to ensure that the college's buildings and facilities provide a safe, healthy learning environment for students.

The Board of Trustees must meet the requirements of Nag 4iii and 5ii and other relevant legislation and financial constraints and implement it through the annual budget cycle.

The Board of Trustees will monitor the implantation and effectiveness of these policies through the Finance and Property Subcommittees which will:

- Develop the annual budget
- Review monthly financial reports
- Review monthly property report

Policy Statements

Financial Management

The Board of Trustees will operate its fiscal activities in accordance with its responsibilities under the Public Finance Act.

- The Board will each year prepare a budget based on the aims of the development plan.
- A committee of the Board will oversee the college's financial management.
- The college will establish clear guidelines, including delegations and accountabilities, for the efficient management of each section of the budget.
- Appropriate financial management procedures and practices are followed in line with Public Sector Finance requirements and guidelines set out by the Ministry of Education.
- The Board of Trustees will maintain a minimum 'reserve' figure of \$350,000.
- Bank signatories will be the Principal, Executive Officer, Deputy Principal and Board Member or Representative.

Fee Paying Students

Pakuranga College sees significant potential benefits in enrolling foreign fee paying students and as such will actively promote this operation. In so doing all enrolled foreign fee payers will be given the benefits and services applicable to New Zealand students in addition to the expectations and requirements laid down in the Ministry's Code of Practice. Foreign fee paying students are expected to adhere to all Pakuranga College's policies and rules.

Credit Cards

Credit and debit cards will be issued to staff members only after being authorised by the Board. The current procedures for the use of approved credit and debit cards are attached.

Fixed Assets

The value of fixed assets recorded in the Statement of Financial Position is to be materially correct and the annual depreciation charges fairly represent the use of the asset over their lives.

- Items of property, plant and equipment with an individual value in excess of **\$1000** are capitalised on purchase
- Items with an individual value of less than \$500 that are purchased in quantity will be capitalised where the total value of the purchase exceeds \$1000
- Other items with an individual value below **\$1000** are expensed

Depreciation will be deducted over the lifetime of the asset. Depreciation rates for asset groups are as follows:

Buildings	2%	Straight line
Electrical Equipment	33%	Straight line
Furniture & fittings	10%	Straight line
Library books	12.5%	Diminishing Value
Major Equipment	10%	Straight line
Minor Equipment	10%	Straight line
Motor Vehicles	20%	Straight line
Plant & Machinery	10%	Straight line
Sports Equipment	20%	Straight line
Grounds Improvement	5%	Straight line

Property Management

The Board of Trustees in meeting its statutory obligations will:

- Provide a safe working and learning environment;
- Comply with legislation concerning occupational health and safety and with Health and Safety Code;
- Facilitate and appropriate long term maintenance of all property, plant and equipment;
- Ensure on-going preventative maintenance is provided for;
- Ensure that the college provides a safe, clean, hygienic facility that is attractive and conducive to teaching and learning;
- Maintain an up to date 5 year property plan and 10 year maintenance plan.

Gifts

1. The Board acknowledges that from time to time, gifts may be given to long serving staff members on retirement or resignation. This is a sensitive area of expenditure where perception is important. Decisions should be made carefully, taking into account the purpose and value of the gift.
2. All gifts of significant value given and received by College employees and Trustees are to be recorded. This ensures transparency in College operations and also provides protection for employees in the event of allegations being made about that employee.

Entertainment

1. The Board agrees that it has a responsibility to ensure that the expenditure on entertainment incurred by the College must clearly be linked to the business of the College.
2. Entertainment expenditure procedures are attached.

Theft and Fraud

1. The Board has a responsibility to protect the physical and the financial resources of the College. The College has a responsibility to prevent and detect theft and fraudulent actions by persons who are employed or contracted by the College.
2. Any investigations into any theft or fraudulent actions will be conducted in a manner that conforms to the principles of natural justice and is procedurally just and fair.
3. The Board therefore requires the Principal to establish systems and procedures to guard against the actions of fraud and theft. The Principal is to report such actions to the Board Chairperson as prescribed in the procedures for Theft and Fraud as attached.

1.

Supporting Documentation

Budget

Annual Report - Issued to all Board of Trustees Members

Credit Card Procedures (attached)

Gift Procedures (attached)

Entertainment Procedures (attached)

Theft and Fraud Prevention Procedures (attached)

Signed: _____


Board of Trustees Chairperson

Date: 21 September 2020

Attachment 1: Credit Card Procedures

1. Credit/debit cards should be issued to staff members only after being authorised by the Board.
2. The limits set for credit/debit card use should not exceed the overall financial delegation of the cardholder, as set out in the Schedule of Delegations. Any variations require Board approval.
3. Prior to the card being issued, the recipient must be given a copy of this Policy and be required to sign it off to signify that they have read and understood it.
4. The credit/debit card is not to be used for any personal expenditure.
5. The credit/debit card will be used only for:
 - Payment of actual and reasonable travel, accommodation and meal expenses incurred on College business, or
 - Purchase of goods and services within the approved budget.
6. All expenditure charged to the credit/debit card should be supported by:
 - A credit card slip
 - A detailed invoice or receipt to confirm that the expenses are properly incurred on College business
 - For expenditure incurred in New Zealand of value greater than \$50 (including GST) there should also be a GST invoice to support the GST input credit
7. The credit/debit card statement should be certified by the cardholder as evidence of the validity of expenditure.
8. Authorisation for the expenditure should be obtained on a one-up basis (for example the Principal should authorise any expenditure by the director of International Students and Deputy Principal and the Board should authorise any expenditure by the Principal). Cardholders are not allowed to approve their own expenditure.
9. All purchases should be accounted for within 5 working days of receiving a credit/debit card statement.
10. Cash advances are not permitted except in an emergency, or with prior approval.
11. Where cash advances are taken, the cardholder must provide a full reconciliation, with receipts wherever possible, of how the cash was used. Any unspent monies must be returned to the College.
12. Any benefits of the credit/debit card such as a membership awards programme are to be used only for the benefit of the College. They should not be redeemed for personal use.
13. The cardholder should never allow another person to use the card, must protect the pin number of the card and must purchase only within the credit limit and notify the credit card company and the College immediately if the card is lost or stolen.
14. The cardholder must return the credit/debit card to the College upon ceasing employment there or at any time upon request by the Board.

Attachment 2: Gift Procedures

Giving Gifts

1. Gifts given in recognition of employment or services rendered by employees (including payments made when employees retire, compassionate grants and bonus payments), may conflict with the terms of collective agreements and require concurrence i.e., approval from the Secretary for Education.
2. The Board may wish to express their thanks to parents and other community members who donate services to the College by way of a small gift. It may also be appropriate for employees travelling overseas to give a small gift to their hosts.
3. Factors that the Board may wish to consider would be the value of gifts, frequency of gifts, perception issues, personal links between staff/Trustees and receivers of gifts.

Receiving Gifts

4. The Board of Trustees and any College employee should consider the appropriateness of any gift offered before accepting the gift.

Attachment 3: Entertainment Procedures

Purposes of Entertainment

1. Entertainment expenditure in general will be for the following purposes:
 - Building relationships and goodwill;
 - Representation of the College in a social situation;
 - Hospitality provided in the course of College business to external parties;
 - Internal social functions.
2. The purpose of all purchases should be transparent and the amount expended be able to be demonstrated and appropriate.

Alcohol Purchases

3. The College should purchase alcohol only for entertainment purposes or as a 'thank you' to a visiting speaker or staff member.
4. Purchases are usually for the consumption by staff and guests at College hosted events. The amount expended needs to be demonstrable, reasonable and appropriate for the event and should be sufficient for moderate consumption only.

Attachment 4: Theft and Fraud Procedures

General

1. As preventative measures against theft and fraud the Board requires the Principal to ensure that:
 - a. The College's physical resources are kept secure and accounted for.
 - b. The College's financial systems are designed to prevent and detect the occurrence of fraud. All such systems must meet the requirements and standards as set out in Crown Entities Act 2004 and of generally accepted accounting practice promulgated and supported by the Institute of Chartered Accountants of New Zealand.
 - c. Staff members who are formally delegated responsibility for the physical and financial resources by the Principal are proven competent to carry out such responsibilities and that such persons are held accountable for the proper execution of their responsibilities.
 - d. All Staff members are aware of their responsibility to immediately inform the Principal should they suspect or become aware of improper or fraudulent actions by staff, suppliers, contractors, students or other persons associated with the College.
2. In the event of an allegation of theft or fraud the Principal shall act in accordance with the appropriate discipline procedures.

Allegations Concerning the Principal or a Trustee

3. Any allegations concerning the Principal should be made to the Board Chairperson. The Chairperson will then investigate in accordance with the appropriate discipline procedures.
4. Any allegation concerning a member of the Board of Trustees should be made to the Principal who will initiate an appropriate investigation.