
Carmel College Operational Policy 04: Financial Planning Policy

Special Character statement

Our college is the Catholic Church in action, an authentic expression of the Church's mission. Therefore, our role as a Catholic college, is, above all, to be a place where every member of this learning community can encounter the living God and our focus is on helping to form Christ in the lives of others. We do this through the Catholic and Mercy traditions.

Outcome statement

The school is financially viable, manages risks effectively and resources are targeted to where they make the most difference to outcomes for students.

Scoping

The Board of Trustees has overall responsibility for the financial management of the school. The Principal is the day-to-day manager of the school and responsible for achieving legislative requirements and charter/strategic aims and targets within Board policy objectives.

The financial viability of the school must be protected at all times, and every practicable effort is made to eliminate the risk of theft or fraud.

Delegations

The Finance Committee, which includes the Principal and the Business Manager, is responsible for recommending an annual operating and capital budget to the Board within the timelines specified in the Finance Committee terms of reference.

The Board delegates the day-to-day management of the school's finances and budget to the Principal.

The Principal is required to ensure robust, clear procedures are in place to safeguard the integrity of financial management. Any proposed material changes to financial procedures should be notified to the Finance Committee for their consideration.

Expectations and limitations

Budgeting shall not fail to reflect the annual plan, risk financial jeopardy nor fail to show a generally acceptable level of foresight. The budget should:

1. reflect the expectations, goals and priorities sought by the Board
2. comply where the Board's requirement is for a balanced budget
3. demonstrate an appropriate degree of conservatism in all estimates.

The Principal must ensure:

1. unauthorised debt or liability is not incurred
2. generally accepted accounting practices or principles are not violated
3. tagged/committed funds are not used for purposes other than those approved
4. more funds than have been allocated in the fiscal year are not spent without prior Board approval, outside established parameters.
5. all money owed to the school is collected in a timely manner

6. timely payment to staff and other creditors is made
7. unauthorised property is not sold or purchased
8. all relevant government returns are completed on time
9. no one person has complete authority over the school's financial transactions
10. there is no authorisation of expenditure that is illegal or would create reputational risk to the college
11. when making any budgeted purchase: *(a budgeted purchase is any purchase of an item or service which is specified in the annual budget or, if not specified, may be reasonably accommodated within the budget line pertaining to that item or service.)*
 - a. of over \$10,000 comparative must prices are sought. For building project/maintenance work, comparative quotes are required for any project over \$50,000.
 - b. of over \$10,000, an adequate review of ongoing costs, value and reliability is undertaken
 - c. of over \$30,000 on a single item, Board approval is first sought
 - d. any contract that exceeds 2 years and/or \$30,000, Board approval is first sought
12. when making an unbudgeted purchase, any item over \$5,000 requires prior Board approval
13. effective systems are in place to meet the requirements of the payroll system
14. can authorise remission of Attendance Dues and other parent contributions on a case by case basis
15. Expenditure arising in an emergency where there is imminent danger to individuals or imminent risk of significant damage to property up to \$50,000.
16. All delegations of financial control and expenditure are appropriately managed and any variations notified to the Finance Committee at the monthly meeting (or earlier if urgent).

Procedures/supporting documentation

Annual budget

Board of Trustees' Finance Committee terms of reference

This policy is to be read in conjunction with 12Op - Asset Protection Policy and Procedures

Monitoring

The Principal, in association with the Finance Committee, is responsible for financial reporting and demonstrating budget compliance. Where there is non-compliance, variances are to be reported to the Board with recommendations on the actions required to meet compliance.

Legislative compliance

Refer to the Ministry of Education website for information on managing school finances and the [Financial Information for Schools Handbook \(FISH\)](#).

Date reviewed:	April, 2019	Next Review:	June, 2020
BOT chair signature:			