education
Department: Education
GAUTENG PROVINCE

LAER VOLKSKOOL HEIDELBERG

FINANCIAL POLICY

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1. **TITLE OF THE POLICY:** Finances Policy of Laer Volkskool Heidelberg.

2. **EFFECTIVE DATE:** 1 June 2024

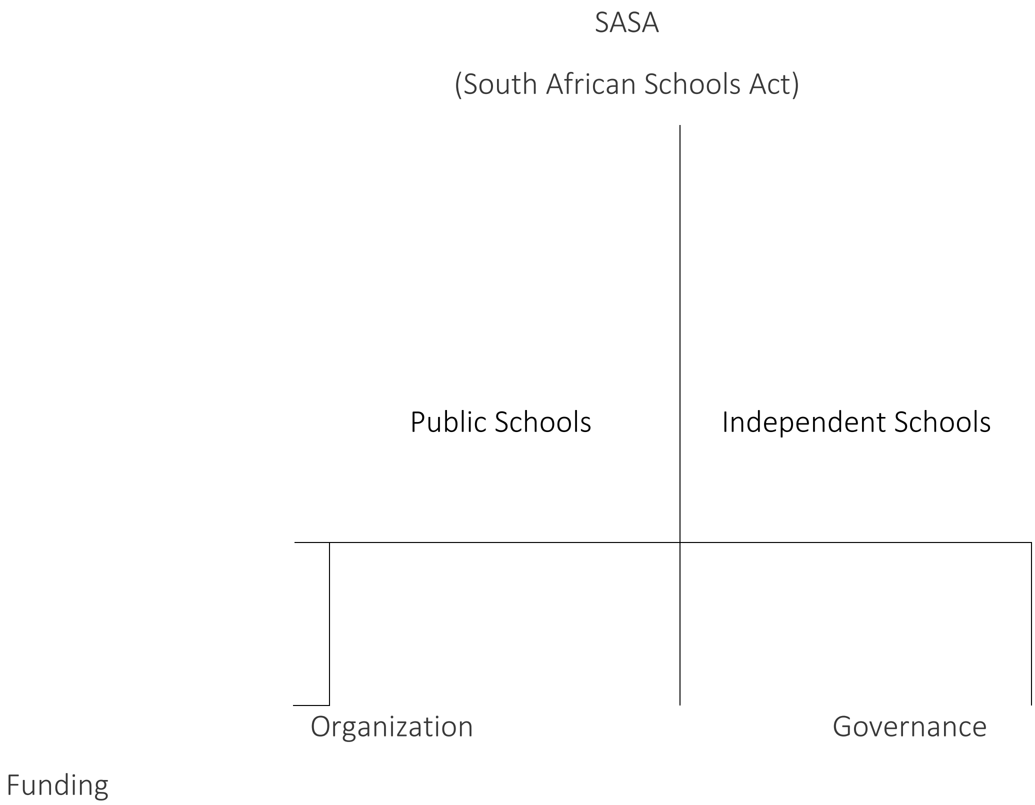
3. **REVISION HISTORY:**

As amended on:
20 May 2024
Date of next review:
01 March 2027

4. PREAMBLE:

4.1 The SASA sets out the laws for governing and funding of schools. The act is used to establish norms and standards for the education of learners at schools as well as the organisation, governance and funding of schools throughout South Africa.

The act covers public ordinary schools (among others) and makes specific provisions where applicable.



The SASA prescribes how schools should manage their funds. It also provides guidelines for the School Governing Body (SGB) and the principal on their roles and responsibilities in managing the finances of the school.

Public Ordinary Schooling:

A public school is one that is contemplated in Chapter 3 of the South African Schools Act (SASA). Laer Volkskool Heidelberg is section 21.

Section 21 schools administer their own finances. The schools may carry out their own procurement and/or may deal directly with suppliers and contractors for the relevant budgeted items in accordance with standard procurement procedures and should purchase approved textbooks as contained in the GDE catalogues to ensure compliance with the National Curriculum Statements.

5. INTRODUCTION – SCHOOL GOVERNANCE:

School governance means determining the policies and rules by which a school is to be organized and controlled. It includes ensuring that such rules and policies are carried out effectively in terms of SASA and the budget of the school. The School Governing Body (SGB) is responsible for such governance in terms of Section 16(1) and the functions stipulated in Section 21 (if approved as a Section 21 school) of SASA and in terms of policies and prescriptions of the department. Key to the governance of a school is the effective control and management of the finances.

Each SGB should draw up a financial policy. This document should indicate clearly what the procedures and rules are for handling money at the school. It should provide a clear understanding of the responsibilities of the principal, treasurer, the finance officer, the finance committee, and other persons to whom specific tasks are delegated. The tasks delegated to certain people by the SGB must be clearly stipulated in writing.

A financial policy also outlines the controls and measures that the school is advised to employ concerning the financial affairs of a school that should ultimately result in the preparation of a set of financial statements that are submitted to the GDE.

6. PURPOSE OF THE FINANCIAL POLICY:

The purpose of this financial policy is to secure transparency, accountability, and sound management of the income, expenditure, assets and liabilities of the school and to ensure that the school funds, movable and non-movable assets are properly managed. The South African Schools Act has delegated the responsibility of the management of public schools' finances to the School Governing Bodies.

This financial policy will address issues relating to the school governing body's role of implementing legislation regarding school funding in a public ordinary school.

The policy applies to the Governing Body, Finance Committee, school management, educators, noneducator staff and the learners of the school.

7. DEFINITIONS AND ACRONYMS:

7.1 DEFINITIONS:

Term		Definition
Accounting Officer		Person responsible for receiving money at school, banking it, and receipting it
Auditor		External person auditing books to ensure no corruption takes place, registered with IRBA
Audited Financial Statement		Annual statements which were audited by a registered the auditor
Bookkeeper		Person keeping the financial records for the school, ensuring the are read for the auditor, registered with SAICA and SAIPA
Budget		Financial plan and projections of the school for the next year
Educator		Means any person, excluding a person who is appointed to exclusively perform extracurricular duties, who teaches, educates, or trains other persons or who provides professional education service including professional therapy and educational school social services at school.
Finance officer		Person at school appointed to handle the finances of the school
Finance Policy		Policy regulating the finances of the school.
Head of Department		Means the head of an education department.

Incremental Budgeting		Technique of preparing a budget. The process starts with the assumption that the previous level of income and expenditure are a reasonable base for estimating the income and expenditure for the next financial year. Only minor (incremental) adjustments are necessary. It is not a suitable approach where dramatic changes occur in the status of income or expenditure.
Learner		Means any person receiving education or obliged to receive education in terms of relevant legislation
MEC		Means the Member of the Executive Council of a province who is responsible for education in the province
Parent		'Parent' means— (a) the biological or adoptive parent or legal guardian of a learner. (b) person legally entitled to custody of a learner; or (c) the person who undertakes to fulfil the obligations of a person referred to in paragraphs (a) or (b) towards the learner's education at school
Performance Budgeting		May be defined as a delivery-orientated financial planning and resource allocation process that relates inputs or resources to out puts and outcomes.
Principal		Means an educator appointed or acting as the head of a school

Programme budgeting	Is a more advanced way of budgeting and is closely linked to financial planning and resource allocation according to prioritised programmes
School	LAER VOLKSKOOL HEIDELBERG
School fees	Amount determined by the SGB to be paid by the parents
School fund	Funds allocated to the school.
School Governing Body	Means the relevant body responsible for Governance issues
Treasurer	Person appointed to oversee the financial activities of the school
Zero based budgeting	Previous budgets are not taken into consideration. All activities are costed from a zero base. The budget is determined on the basis of strategic plans, programmes, projects and activities.

7.2 Acronyms:

Acronyms	Explanation
AFS	Audited Financial Statements
ACM	Annual General Meeting
	Employment of Educators Act
EPA	Education Policy Act
GDE	Gauteng Department of Education
GSEA	Gauteng School Education Act
HOD	Head of Department
IRBA	Independent Regulatory Board for Auditors
MEC	Member of the Executive Council
NEPA	National Education Policy Act
PAAA	Public Accountants' and Auditors' Act
	Public Finance Management Act
SACE	South African Council for educators
SACA	South African Institute of chartered accountants
	South African Institute of Professional Accounts
SASA	South African Schools Act
SGB	School Governing Bod
SMT	School Management Team

8. SCHOOL GOVERNING BODY (SGB):

Part of governance is the establishment/appointment of those who will be responsible (i.e., The Schools Governing Body) and who will need to ensure that proper governance is carried out (i.e., guidance as per the King Reports) as well as the establishment of financial controls to ensure that there is transparency over the school's finances (income and expenditure). The School Governing Body is responsible for the governance of a public school and the principal is responsible for professional management of the school and the principal is the accounting officer of the school. The School Governing Body may obtain assistance of the day-to-day administration and organisation of the school however the overall responsibilities for controlling school's money and property remain with the School Governing Body in terms of the Schools Act.

The Governing Body should consist of:

1. Elected members comprising out of each of the following categories:
   - Parents of learners at the school
   - Educators at the school
   - Members of staff at the school who are not educators; and
2. The principal in his/her official capacity
3. Co-opted members

Governing Body (Governance)	Principal (Professional management)
Start and administer a school fund (37(1) of SASA)	Assist the Governing Body with their functions in terms of SASA and Chapter A4.2(e)(v) of PAM
Open and maintain one banking account 37(3) of SASA	Support and guide expenditure in consultation with Governing body of SASA and Chapter A (e)(i) & 4.3(e)(i) of PAM
Keep the financial records of the school (s42 (a) of SASA	Assist the Governing body in keeping proper record of school accounts of SASA and Chapter A 4.2 (e)(i) of PAM
Prepare an annual budget and submitted to parents for approval (S38) by the SASA	Administer the process of budgeting for costs and manage the budget if delegated to him/her by the Governing Body, SASA and (Chapter C 3.3 (1.21) of PAM)
Draw up and submit audited annual financial statements to the Department of Education (s42 (b) & s43(5) of SASA)	Manage the drawing up and finalisation of the annual financial statements if delegated by the Governing Body, SASA and (Chapter A 4.2 (e)(v) of PAM
Buy textbooks, educational material or equipment for the school (s20 & 21 of SASA)	Advise on textbooks, educational material and equipment to be bought by the Governing Body, SASA.

Supplement the funds supplied by the Department of Education to improve the quality of education in the school (s36 of SASA)	Support the Governing Body with their functions in terms of SASA (Chapter A 4.2 (e)(v) of PAM)
Ensure school fees are collected according to decisions made by the Governing Body (s39 to S41 of SASA)	Ensure controls are in place and operating for cash collected (s39 to S41 of SASA)
Adopt (accept a constitution, adopt a code of conduct and develop the mission statement of the school	Monitor compliance with all applicable legislation effecting the schools in assisting the Governing Body
Control and maintain school property, buildings and grounds	
Keep the financial records of the school	
Submit audited/examined AFS to the HOD with 6 months of year end	Perform the departmental responsibilities prescribed by law
Decide on applications for exemption from school fees (for fee paying schools)	
	Administer and organise day-to-day teaching and learning at the school
	Decide on the intra-mural curriculum, that is all the activities to assist with teaching and learning during school hours

Summary of duties of the Governing Body (Governance and Principal (Professional management):
In terms of Section 30 of SASA, Laer Volkskool Heidelberg SGB will establish committees such as an executive committee, finance committee, fundraising committee, etc., depending on the needs of the school. The finance committee (refer to financial management and reporting guidelines 2020) will be responsible for providing support to the SGB regarding the management of the finances of the school. The SGB will ensure the management and administration of the finances of (name of school) is in in accordance with legislation and policies and will ensure the finance policy is implemented and adhered to.

The finance sub-committee (FINCOM):

(Refer to financial management and reporting guidelines 2020)

Membership of FINCOM:

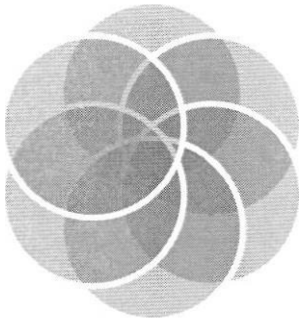
- Treasurer (will be the Chairperson of the FINCOM)
- SGB Chairperson
- The principal
- The finance officer who is a PS staff members appointed by the Department of Education at the school (must be appointed in writing by the SGB in consultation with the principal) for the whole SGB term.
- Co-opted person with expertise when needed e.g., LTSM coordinator, Maintenance Chairperson.

Duties of the FINCOM:

- Support the treasurer in administering his duties
- Develop a finance policy
- Draw up the budget each year
- Ensure that all procurement is done through Prescribed Preferential Procurement Regulation of 2017
- Advise on fundraising
- Advise on ways to invest surplus money
- Advise the SGB on the amount of school fees to be charged
- Advise the SGB on exemptions from school fees
- Assist the financial officer in drawing up the financial statements _ Suggest who should be appointed as auditor
- Attendance registers and minutes are kept of all Finance sub-committee meetings.
- All committee members and other authorized persons participate in an official capacity and are required to respect the confidentiality of the work of the committee.

9. INTERNAL CONTROLS:

Laer Volkskool Heidelberg has many stakeholders as shown in the diagram below. These stakeholders all have a commitment to ensure a school maintains an effective and efficient control environment:



Internal control is a process effected by the SGB, principal and other personnel, and designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Economy, efficiency and effectiveness of operations
- Internal financial control
- Compliance with applicable laws and regulations

Internal controls actions can be categorised as the following areas:

Prevention:	PREVENT	Detection:
- Control environment - Competent & Trustworthy personnel - Segregation of duties - Isolation of responsibilities - Access & custody controls	DETECT CORRECT	- Process that takes place on a regular basis to detect any irregularities. (E.g., checking transactions, supervision by officials of day-to-day transactions, monitoring staff behavior, surprise inspections, etc.)

- Source document design (pre-printed, pre-numbers and space for authorization).		

10. APPLICATION AND SCOPE OF THE POLICY:

10.1 This policy applies to all relevant stakeholders at Laer Volkskool Heidelberg.

11. LEGISLATIVE FRAMEWORK:

11.1 The Constitution of the Republic of South Africa, (Act 108 of 1996), as amended.

11.2 National Education Policy Act, (Act No. 27 of 1996), as amended.

11.3 The South African Schools Act, (Act No. 84 of 1996), as amended.

11.4 Employment of Educators Act, (Act No. 76 of 1998).

11.5 South African Council for educators (Act No. 31 of 2000).

11.6 Public Finance Management Act (Act No. 1 of 1999).

11.7 Public Accountants' and Auditors' Act, 1991

11.8 The Amended National Norms and Standards for School Funding

11.9 Gauteng School Education Act, (Act no 6 of 1995)

11.10 Education Policy Act, Act no 12 of 1998)

12. RELEVANT POLICIES AND PROVINCIAL CIRCULARS:

a. Circular 17/2006

b. Circular 74/2008

c. Circular 53/2008

d. Circular 54/2008

e. Circular 65/2007

f. Circular 13/2000

g. Circular 31/2010

h. Circular 01/2023

i. Circular Ml and M3/2017

j. Circular M4 of 2017

k. Circular M2/2018

l. Circular 07/2017

m. Gauteng Province: Department of Education: Financial Management and Reporting Guidelines of 2020

n. Circular 02/2021

o. Circular 03/2021

p. Circular 05/2021

q. GDE asset loss control policy (21 March 2021)

13. POLICY STATEMENTS OF LAER VOLKSKOOL HEIDELBERG:

13.1 Budget Policy

13.2 Revenue / income Policy

13.3 Debtors Management Policy

13.4 Bank and Cash Policy

13.5 Procurement (Purchases) and payment Policy

13.6 Petty Cash Policy

13.7 Inventory Policy

13.8 Asset Policy

13.9 Other Policies (Investment, Travel and subsistence, etc.)

13.1 BUDGE0T POLICY:

(Refer to SASA sec 38 to sec 41 and financial management and reporting guidelines 2020)

- The annual budget will be drawn up by the governing body or persons duly appointed by the governing body to perform the task; and will be tabled at the Annual General Meeting for approval by parents.
- An annual budget will contain a detailed financial plan of activities which are scheduled to take place during the school year. It should provide information about expected income and anticipated expenditure.
- An annual budget will have a strategic/development plan.
- An annual budget will be used as a measure according to which income and expenditure can be compared with each other.
- The budget will also be used as a control mechanism to monitor whether the school is meeting its goals and objectives as outlined in the budget. _ The budget will be used as an instrument

to determine corrective measures monthly, which may need to be made to the school's financial plan.

- The budget will be realistic.
- All available sources will be considered.
- Proper motivations shall be prepared and presented to the SGB for all cost centres.
- All possible expenses, capital, maintenance and revenue must be considered.
- A separate preparatory form must be completed by committees for each item of income or expenditure.
- The budget must consider aspects such as changes in legislation, price increases and changes in interest rates, as well as the short-, medium- and long-term goals of the school.
- All interested parties must be considered to make inputs in the budgeting process, e.g., parents of learners at school.
- There will be a clear link between the mission statement and the budget of the school.
- All activities of the school should be related to one or more goals of the school indicated in the mission statement. The budget will be drawn up only after the goals of the school for the relevant year have been determined.
- A combination of three budgeting methods, namely, incremental, zero-based and activity-based budgeting will be used to determine allocations to different items in the budget.
- Incremental budgeting will be used to allocate to stable cost center's such as established extracurricular activities. Zero-based budgeting will be used to make allocations to new items and activities.
- Payments requiring urgent authorization between governing body meetings will be discussed with the chairperson or treasurer and member of the governing body responsible for that cost centre or activity.

13.2 REVENUE /INCOME POLICY:

(Refer SASA sec 34 to 37, circular 03/2021, Financial management and reporting guidelines 2020)

Public ordinary schools primarily generate income from the following sources:

- School fees
- Department transfers
- Cash donations received
- Proceeds from asset disposals
- Fundraising proceeds

- Interest income from investments made
- Rentals
- Clothing shop

Formal acknowledgement, in the form of a receipt issued, will be made by the school for all cash income received.

Where electronic fund transfers (EFT) or direct deposits are made, it is not necessary to issue a receipt, since such income will be reflected and referenced on the school's bank statement.

Laer Volkskool Heidelberg will ensure, when issuing receipts, that the following minimum requirements are met:

- All receipts will reflect the date.
- All receipts will reflect the name of the person or school from whom the money is received.
- The nature of the income will be reflected.
- The receipt will reflect the amount received in both words and figures.
- The receipt issued will be sequentially and uniquely numbered. (Receipts are prenumbered.)
- Receipt should specify for what cash was received.
- The duplicate receipt will reflect all the details as indicated on the original receipt.
- The name of the school will be stamped on the receipt if the receipt is not from a preprinted receipt book.
- The receipt will reflect the signature of the person who issued the receipt.
- Should a receipt be incorrectly completed, such receipt must be cancelled, and a new receipt issued.
- If a receipt is cancelled, the original must be attached to the duplicate, either via stapling or glue.
- Under no circumstances must information be altered, e.g., "tippex".

No withstanding the afore-mentioned procedure, income derived from minor fundraising events, e.g., Civvies days, Valentine's Days, Computer classes, etc., should be recorded on class lists by the class teacher. The finance officer/bursar then issues a covering receipt for the money reflected on the class list. The receipt must be attached to the class list and kept on file. The covering receipt must be referenced. A report on the amounts and how the fundraising funds were utilized need to be present to the SGB and also to the parents in the AGM.

13.3 DEBTOR MANAGEMENT POLICY:

(Refer to SASA sec 36, sec 39 sec 40, sec 41, Financial management and reporting guidelines 2020)

The SASA imposes a responsibility on all public ordinary school governing bodies to do their utmost to improve the quality of education in their schools by raising additional funds to supplement those which the state provides from public funds (Section 36).

Laer Volkskool Heidelberg as a public ordinary school (fee paying school) has the right to take legal action against a parent, who does not pay school fees, but only after the exemption criteria have been applied and the parent is still liable to pay such fees. The learner must remain in school while the case is on.

The exemption from payment of school fees is a mechanism government has put in place to assist parents to access quality education for their children, irrespective of their background or financial constraints. Exemptions must be calculated retrospectively from the beginning of the year if the parent qualifies.

Parents who cannot afford to pay school fees must apply to the SGB for conditional, partial of full exemption from paying school fees. Application forms can be obtained from the SGB through the principal of the school. Laer Volkskool must inform parents of the criteria and procedures and assist them in applying for exemption form paying school fees. The SGB must inform the applicant of the outcome of the application in writing within 7 days after assessing the application for exemption.

If a parent is not satisfied with the SGB decision related to full or partial exemption, he/she may appeal to the Head of Department against the decision of the school within 30 days after receiving the school's decision. It is the responsibility of every public school to assist the parents in lodging appeals.

13.4 BANK AND CASH POLICY:

(Refer to financial management and reporting guidelines 2020)

- A current bank account shall be opened in the name of the school with the Principal, Treasurer and the Chairperson of the governing body as signatories.
- Deposit shall be made on the date on which the money has been received or not later than five days of receipt of such money.
- The School Governing Body will be responsible for the receipt and recording of all money received and spent by the school.

- The School Governing Body will appoint in writing a member who will be the School Finance Officer, who is a member of the PS staff of the school appointed by the Department of Education, to look after the day-to-day receipt and recording of money.
- The name and signature of the person receiving the money and issuing the receipt must be clearly indicated in the receipt.
- The person issuing the receipt should ensure that only one receipt is issued for each amount of money received.
- No alterations may be made on any receipt. If a mistake is made, the receipt should be cancelled by writing "CANCELLED" in clear large letters in ink across the original receipt as well as its duplicate copy. The cancelled original and duplicate receipts should not be removed from the receipt book.
- The Treasurer shall sign all receipts.
- The receipt book shall be ruled of in red ink at a point when the money is banked.
- Monies payable to the school will be received only during hours by the Financial Officer, the Principal or Class Teachers.
- Immediately after receipt, the money should be locked in the cash box together with the receipt book in the safe.
- To reduce the risk of loss through theft or robbery, a minimum amount of money should be kept in the cash box.
- Deposit slips should be properly completed, and the deposit slip totals should be balanced with the receipt book totals prior to the banking of the money.
- Where a person other than the Finance Officer or Principal accepts responsibility to deposit money at the bank, that person should check the money to be deposited against the deposit slip details and should co-sign the deposit slip as evidence thereof.
- Arrangements for depositing money must be varied to reduce the risk of loss through robbery. The principal or finance officer must transport money to the bank accompanied by a different member of staff on each occasion.

13.5 PROCUREMENT (PURCHASES) AND PAYMENT POLICY:

(Refer Financial management and reporting guidelines 2020, Circular 02/2021)

- Quotations must be considered by the FINCOM in line with the budget, need analyses and approved by the SGB.

- A short list of possible suppliers should be compiled, and appropriate enquiries made regarding their ability to provide the goods or services required.
- Specifications of the item to be procured should be clear and detailed.
- Three quotations should be sourced from different suppliers with the best quote accepted.
- Unless valid reasons or concerns exist especially in terms of quality services delivery, the lowest quotation should be accepted.
- Goods are to be ordered in accordance with the approved budget and approved quotation.
- Order forms should be printed in triplicate and be pre-numbered.
- Order books should be recorded in the controlled stationery register.
- When order books are required, they must be signed out by the finance officer, principal or any other person authorized by the governing body.
- The school stamp must be affixed on both the original and duplicate copies of the order books.
- The original order form with a copy of the quotation should be given to the supplier for delivery.
- All payments made by the school, except petty cash reimbursement, should be made via EFT
- No money received as cash for which receipts were made out may be used to make payments.
- All amounts more that R3000,00 shall be paid via EFT.
- When goods are delivered the delivery note is to be checked against the invoice
- The EFT payment vouchers are to be authorized by all signatories with all the supporting documents attached.
- There must be three signatories to the school bank account, the Finance officer who loads the EFT payment, the Treasurer who approves the EFT payment and the principal who releases the payment.
- It is recommended that both the Treasure and Principal must receive the SMS notification, email notification and proof of payments
- Payments should be made only when supported by properly authorized payment vouchers.
  _ Payments should not be made for items not included in the budget or where the budget will be exceeded unless prior approval of the governing body has been obtained. _ Requests for payments must be made on a properly completed EFT requisition.
- The requisition form will be approved only if accompanied by authorization to purchase (where possible, in the form of an order form) and a detailed invoice, signed as evidence of the receipt of goods or services being paid for.

- Two or three signatories should check the invoice details prior to approving the requisition form for the payments of good services.
- As per the directive of the Head of Department, the signatories will be the Chairperson, the Treasurer and the Principal.
- All petty cash vouchers, EFT requisitions, invoices, delivery notes quotations, bank statements and proof of payment should be properly filed for audit and reference purposes.
- EFT requisitions and petty cash vouchers should be filed in sequence according to the bank statement

13.6 PETTY CASH POLICY:

(Refer Circular 02/2021 and financial management and reporting guidelines 2020)

- The petty cash officer must be appointed in writing by the SGB.
- An initial amount of R3000 will be made available for petty cash on the first day of the month. If the amount needs to be increased the school needs to apply via the District Office to the Director School Financial management and Governance.
- The original petty cash advance should be made in the form of an EFT requisition and withdrawn with the debit card
- Thereafter, the petty cash should be replenished upon the presentation of appropriately authorized petty cash vouchers and petty cash reconciliation.
- No advances (*IOUs*) may be made from petty cash, except where amount is authorized, for example, to be given to a person to pay entrance fees for a class outing wherever possible, the amount due should be determined in advance and payments made via petty cash.
- The petty cash box should be kept in a secure place when not in use.
- Petty cash payment should only be processed once the petty cash voucher has been authorized.
- Where petty cash is used to cover transport costs to attend workshops or sports events, a copy of the letter identifying thus is to be attached to the petty cash voucher.
- Only the finance officer, principal or other persons duly authorized by the governing body may have access to the petty cash box
- The petty cash should be balanced and reconciled monthly.
- Should a petty cash surplus be found, the amount should immediately be accounted for through the issue of a receipt, and the reason for the surplus is thoroughly investigated.

- Should a petty cash shortage be found, the responsible person for petty cash should pay the amount and make an appropriately described entry in the receipt cash book.
- In the event of a shortage, the school governing body may permit the responsible person to provide them with all relevant facts and, if the governing body is satisfied that the responsible person should not be held liable for the shortage, it may authorize the writing off the shortage.

13.7 INVENTORY POLICY:

(Refer Financial management and reporting guidelines 2020)

- The finance committee will delegate duties to persons to keep control of the various stock items of the school.
- Proper records of stock items will be kept by using tally cards and stock registers.
- All stock items, where possible, should be marked to indicate that they belong to the school.
- Great care should be exercised in storing the school's stock and stock rooms should be locked and only authorized persons be allowed access.
- Stock take is to be done annually or when deemed necessary, by the person in charge of such stock.
- The school may undertake to repair and stock item when the need arises.
- If any stock item is irreparable, then it may be written off. The principal will inform the necessary authorities and then follow appropriate procedures.
- Once a quarter, and especially before the school close in December, the principal will establish a team to review the stock position in the school. The members of the team will:
  * Enquire about old and problematic items of stock
  * Dispose of any items that are unserviceable, damaged or obsolete.
  * Enquire about surpluses and shortages of stock items.
  * Prepare a report on findings and submit to the relevant authorities.

13.8 ASSET POLICY:

(Refer Financial management and reporting guidelines 2020)

The SGB will appoint a person at the school in writing to be responsible for the custodianship of the school's assets (Asset Officer). This person should ensure the following:

- Assets must be marked with permanent black ink.
- Assets must be used only for the purpose intended.
- Assets must be physically secured to prevent theft or misuse.
- Insurance should be taken out for significant assets (e.g., computers).
- A fixed assets register must be maintained, containing the following details:
    - Type and description of asset
    - Custodian of the asset
    - Date of purchase
    - Date of donation
    - Cost price/accumulated depreciation/ net book value
    - Useful life o Location of the asset
    - Asset number (internally generated for control purposes)
    - Serial numbers
    - Loss control registers (GDE asset loss control policy March 2021)

The custodian must report regularly (at least once a quarter) to the SGB regarding losses, theft and record of assets (loss control registers). The Asset Officer will establish a team to review the asset position in the school quarterly. The members of the team will:

- Enquire about old and problematic assets
- Dispose of any assets that are unserviceable, damaged or obsolete. o Enquire about surpluses and shortages of assets.
- Prepare a report on findings and submit to the relevant authorities
    - The school will appoint a disposal board to implement the procedure and policy regarding the disposal of fixed assets.
    - The school will dispose of any assets that are unserviceable, damaged or obsolete with the approval from the district office. If any asset is irreparable, then it may be written off. The principal will inform the necessary authorities and then follow appropriate procedures.
    - The disposal board should have a member of the SGB as its chairperson.
    - An effort should be made to share surplus assets and move unused items to a place where there is a need at other schools.

- The disposal board is responsible for establishing the price and negotiates the disposal with other schools.
- Once the asset has left the school, the asset register must be updated.
- When an asset is disposed of, it must be removed from the financial records.
- The SGB must approve the recommendations of the disposal of assets by the disposal board.
- The individual's name or the school that received the sale/donation must be recorded.
- The name of the purchasing school or individual is recorded, as well as the selling price.
- All funds received must be banked.

Assets under lease agreements (finance and operating leases) will also be identified and included on the asset register. They may include:

- School vehicles (finance lease where applicable)
- Photocopier and printing machines (operating leases)

13.9 OTHER POLICIES:

Subsistence allowance

The following procedures are the minimum requirements and must be part of the financial policy on travelling and subsistence reimbursement: The SGB (Finance Committee) should annually review and determine the rates of advances and reimbursements. A combination of the Automobile Association's rates and/or rates issued by the National Department of Transport and/or rates based on local circumstances can be used. The rates whereby reimbursements will be paid out should be documented, signed and attached as an addendum to the finance policy.

All travel and subsistence costs will be properly authorized in writing before they are incurred. Retrospective approvals will not be allowed, unless there are exceptional circumstances that must be explained and noted in detail.

- Claimants must clearly understand/have access to the travel policy and applicable rates. The travel policy will be circulated every time the document is updated.
- Reimbursements for subsistence expenses (e.g., for meals) must be clearly stipulated, e.g., daily flat rate, or exact claims for expenses actually and necessarily incurred.

- The person(s) responsible for authorizing the travelling and subsistence expenses will be appointed in writing by the SGB.
- The SGB will make sure that there are effective internal control measures in place to ensure that only the official rates are paid for travel and subsistence expenses incurred on behalf of the school.
- The school governing body and the school management team will agree on the following tariffs for transport claims.
- Transport claims will be determined by the number of kilometers travelled by the claimant and a rate determined by the finance committee.

Investment policy

(Refer to Circular 5/ 2021)

- The SGB should apply via the District Office to the MEC for approval to open an investment account.
- No investment of a speculative nature may be made using school funds or resources.
- Unless otherwise authorized by the governing body with consultation to the district finance officer, investments should be made only at a registered commercial bank.
- No agents should be used when placing deposits in an investment account, and no commission should be received by anyone for the placing of deposits.
- Unless otherwise authorized by the MEC, investments will be in one or more of the following forms:
    * Current or cheque account
    * Transmission of savings account
    * Call account
    * Notice deposit account
    * Fixed deposit account
    * Money Market
- Deposits can be moved between banks or types of investments based only on factors such as the interest rates offered and the cash flow requirements of the school.
- The composition of the school's investment portfolio will be reviewed monthly by the governing body.

14. FINANCIAL REPORTING POLICY:

(Refer to financial management and reporting guidelines 2020, SASA 42 (b), Circular M l ,2, 3)

- The financial year of the school runs from 01 January to 31 December.
- The financial statement will be prepared for submission to the governing body or persons appointed by it for reporting purposes. The statement should be distributed at least three days before the monthly meetings of the governing body.
- Monthly statements should provide information on the following:
  - Income and expenditure for the month and for the year to date.
  - Comparison of amounts in comparison with budgeted amounts and an analysis of any variance.
  - Projected income and expenditure for the year.
  - Status of all projects (both major and minor)
  - Details of money in the bank and funds invested.
- The school will submit income and expenditure quarterly reports to the department.
- Unaudited Financial Statements should be presented by the financial officer and Treasure to the SGB for consideration within 1 month after the end of each financial year and the SGB must submit to the appointed auditor by 31 March.
- The Audited Financial Statements should be submitted to the Head of Education within 6 months after the end of each financial year as required by the South African Schools Act by the (30th June every year.). Taking into consideration it must be submitted within 6 months to the Head of Education, the SGB Chairperson and Principal should sign and submit to the District Office for quality assurance to submit to the Head of Education by 30 June.
- The financial statements are to include the following:
  - Balance sheet
  - Income statement
  - Notes to financial statements
  - Cash flow statement
- The Financial Statements will be audited by a person appointed by the governing body, who is registered as a public accountant and auditor in terms of the Public Accountant's and Auditor's Acts of 1991 or authorized by the Head of Education to act as such.
- The auditor may not be a member of the governing body.

- The SGB will appoint annual a registered accountant and auditor CA (SA) in terms of section 43(1) of SASA by latest before the school closes in December.
- Upon the appointment of the auditor an appointment a copy of the engagement letter will be submitted to the District Office and the original signed letter stored in a safe place.

15. SHORT TITLE:

This policy shall be called the financial policy of Laer Volkskool Heidelberg.

16. DATE OF APPROVAL:

Recommended by: (Principal) (Print name)	P Strydom	Signature:	
Date:			
Approved by: (SGB Chairperson) (Print name)	C Krugel	Signature:	
Date:			
Verification by GDE: (District Director) (Print Name)		Signature:	
Date:			
Certified by: (Print Name)		Signature:	
Date:			