



# Policy – Financial Planning

Policy to support NAG 4 Financial and Property Management

## Outcome statement

All school resources are managed prudently to ensure 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.

## Delegations

The board delegates the day-to-day management of the school's finances and budget to the principal.

The principal, in association with the finance committee, is responsible for recommending an annual operating and capital budget to the board within the timelines specified in the finance committee terms of reference.

## 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:

- reflect the results sought by the board
- reflect the priorities as established by the board
- Comply with the board's requirement is for a balanced budget
- demonstrate an appropriate degree of conservatism in all estimates.

The school recognises that it does not have the mandate to take a financial risk. As such, all cash or cash equivalent assets will be held in minimum risk bank term deposit or cheque accounts with the school's current bank.

The school recognises that it does not have the mandate to take undue credit or counterparty risk. As such, the school will not enter into any agreement with counterparties where the contractual commitment is unbreakable for periods of greater than one year. Where the commitment period is greater than one year, or the total financial value of the commitment is greater than \$5000, formal Board approval must be sought. This guideline excludes the Ministry of Education.

The Board will manage its financial position so as to maintain an uncommitted cash reserve of no less than \$150,000. This cash reserve is to be measured as the net cash balance of all term deposit and cheque accounts held with the school's bank.

## Procedures/supporting documentation

Annual budget

Half-yearly forecast

## Monitoring

The principal 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.

## Legislative compliance

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