



## **FINANCE POLICY**

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### **Purposes**

1. To effectively deliver the curriculum the staff of Allandale School require the financial resources to do so.
2. Trustees are custodians of public money.
3. There must be effective management of Board funds with clearly defined delegations and financial controls.

### **Guidelines**

1. Every year the school will prepare a budget that reflects the school's charter objectives and priorities.
2. Internal financial controls will be observed as per "Financial Controls Supporting Document"
3. Every month the Board will receive a statement of income and expenditure and a statement of financial position.
4. Every year annual accounts will be prepared in line with audit office requirements, shared with and approved by the Board, and made available to the auditor.
5. Expenditure will be monitored regularly so that over - expenditure of the total budget does not occur, at any time, without the Board's prior approval.
6. The budget will provide for adequate resources in the school to enable staff to teach effectively.
7. Every year the Board will delegate to the Principal the authority to spend within the budget.
8. Clear and accurate financial information for the Principal and Staff will be provided to enable the school to be effectively managed.
9. The Board of Trustees have a member with specific responsibility for finance.

### **Depreciation/Asset Replacement**

The purpose of this section of the finance policy is to establish and maintain a structure for the maintenance of the school's current assets i.e. the school will have the same set of assets in the same condition in 10 years time.

- For the purposes of this policy an asset is defined as an item that has a useful life in excess of 1 calendar year and exceeds \$500 in value and is not fixed to a building (therefore curtains and shelves are not assets). Assets such as class furniture will be pooled.
- An asset replacement programme will be established and reviewed at the same time as the 10-year property plan.
- The asset replacement programme will be funded from the depreciation line of the annual budget.
- Equipment less than \$500 will be replaced on a priority basis from the equipment replacement budget, which is set annually.
- Items will be depreciated at the following rates:

AV equipment	over 5 years	(20% p.a.)
Computer equipment	over 5 years	(20% p.a.)
Grounds Equipment	over 5 years	(20% p.a.)
Buildings	over 40 years	(2.5% p.a.)
Classroom furniture	over 10 years	(10% p.a.)
Playground equipment	over 18 years	(5.5% p.a.)
Office equipment	over 5 years	(20% p.a.)
Other equipment	over 5 years	(20% p.a.)
Library books	over 8 years	(12.5% p.a.)

The Board of Trustees will consider an asset improvement structure whereby the total asset pool value increases by 2% p.a. Things like P.E. gear will be paid for out of the annual P.E. budget. This is potentially contradictory to what is written above.

**CROSS REFERENCES**

Financial Administrative Procedures  
 Fraud and Theft Policy