



RATIONALE:

- St. Michael's Church School is a Christian School in the Anglican tradition reflecting the intentions of the St. Michael's Church School Statute.
- The Accounting Policies have been designed to comply with the School Statute and with generally accepted accounting practice.

PURPOSES:

- While the School Statute prescribes the basic accounting requirements, this policy statement details the various accounting procedures as they relate to the operations of the accounting system.
- These procedures are the result of audit recommendations and represent best practice. In several instances they include long standing practice.
- This statement will be updated every year so that the latest audit recommendations may be included.

GUIDELINES:

Internal Control Procedures

- Creditor Payments – All creditor payments must be certified as correct by the Principal and authorised for payment by any two of the following people: the Board Chair, and/ or the Vicar, and/ or the Bursar.
- Wage Payments – All pay rates /annual salaries for staff should be recorded on remuneration sheets held by the Bursar. This sheet will be signed off by the Principal and will contain details of all remuneration including superannuation non taxable allowances and Fee discounts. The Principal's sheet to be signed off by the Board Chair. Those staff on an hourly rate must submit a timesheet which details hours worked and must be authorised by their supervisor.
- Payment Type – Where practical all payments should be made by internet banking or by the school credit card (held by the Principal).
- School Credit Card – This is held by the Principal who is responsible for any expenditure incurred. All expenditure should be for school purposes and must be supported by valid receipts which are to be attached to the monthly credit card statement.
- Receipts – All debtors should be encouraged to make payment directly into the school bank account. Where payment is by cheque details of the cheque should be recorded in the inwards cheque book which is held in the office. A receipt should be issued when this is requested. The banking deposit sheet should have any details that were submitted with the cheque attached to it. Bank deposits are filed in the Bank Deposits folder and the date of the deposit is noted in the right hand corner.
- Bank Reconciliations – These should be done weekly and where there are large volumes of transactions twice weekly. The reconciliation sheet should be supported by a copy of the relevant bank statement with the balance highlighted and cross referenced to the bank reconciliation sheet.
- Order Book – All creditor invoices for work to be done or for goods purchased should be supported by an authorised school order. This should be signed off by the Principal, the Bursar, the School Secretary or the person responsible for the budget which is to be charged for the purchase. The second copy of the order form should be attached to the invoice at the time of payment.
- Off site System Back Up – At the end of each day the Bursar should do a complete back up of all Modules. The backup file should include the time and date of the back up and be emailed to a secure email address.
- Cash – All cash holdings should be kept in the locked cupboard nearest to the school secretary. Bankings should, where possible, be done on the same day as the cash is received.
- Debtors Reconciliation – At the end of each month the Debtors Ledger should be reconciled with the Debtors Control Account. The reconciliation report should be signed off by the Bursar and filed in the Debtors File.
- GST Reconciliation – At the time of the bi-monthly GST payment the GST Ledger Account should be reconciled with the GST Return. Details of this reconciliation should be signed off by the Bursar and be kept in the Reconciliation File.

- Employee, Supplier and Direct Debit Bank Account Numbers – All bank account numbers which are loaded into Business Online Banking should be checked by an independent person and evidence of this check should be retained in the Business Online File.

Accounting Procedures

- Retiring/Leaving Gratuities- The School Board may pay a retiring or leaving gratuity after 5 years service. This gratuity will be calculated at a rate of \$20 for each year of service up to a maximum of \$200.00
- Capitalisation – Where an asset is purchased for a price > \$500 it is to be capitalised and recorded in the Assets Register and be included in the Statement of Financial Position. An asset is defined as a purchase which will provide a service or future economic benefits which will last more than 12 months.
- ACC Reimbursement – The school is a signatory to the ACC Employers Reimbursement Agreement (ERA) This means that the school is responsible for paying the weekly compensation directly to the injured staff member. The compensation equals 80% of the injured staff member's gross weekly earnings. In addition the school will, provided that the injured staff member is in agreement and provided he/she has accumulated a sufficient sick leave balance, top up the compensation payments.
- Debtor Write Offs – These must be approved by the Board. Uneconomic balances ≤ \$5.00 may be written off by the Bursar without approval of the Board.

Financial Reporting

- Monthly reporting to the Board – The monthly financial reporting to the Board should include the following reports:
 - A Statement of Financial Performance. This statement should include a comparison with Budget together with a variance %
 - A Statement of Variance Analysis. All variances ≥ 10% for each sub category of revenue and expenditure should explained.
 - A Statement of Financial Position
 - A Statement of Cash Flows – This Statement should include the monthly cash flow together with the year to date cash flow.
 - A Projected Cash Flow for the 12 month period.
 - A graph of the monthly cash balances
 - A graph comparing cash flow for the current year with the previous year.
 - An Aged debtors report
 - Graphs of the debtor's position
 - A monthly schedule of payments.
- Annual Financial Statement – The Financial Statements should be prepared using MYOB. At the end of the financial year the Trial Balance from PC Schools should be loaded into MYOB. All reversals from the previous year, all deferrals, all accruals, and depreciation should be journalised in MYOB.
- Accountability – Once the Audited Annual Financial Statements have been approved by the Board a copies should be forwarded to the St Michael & All Angels Parish Trust and to the Charities Commission.

CONCLUSION:

The accounting procedures detailed above are designed to ensure the integrity of the accounting data, that treatment of that data is consistent, that there is a matching of revenue and expenditure and that the school is accountable.