

## **FINANCE, ADMINISTRATIVE & PHYSICAL RESOURCES**

**Approved by:** Board of Trustees

**Date effective:**

**Contact:** Headmaster

**Review date:** *under review*

**Group:** Leadership Team

**Reviewed by:** Headmaster, Finance Manager,  
Deputy Headmaster

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### **Policy Statement**

#### **FINANCE, ADMINISTRATIVE AND PHYSICAL RESOURCES**

The financial objective of the Nelson College Board of Trustees is to maximise the amount and the effectiveness of money spent on the curriculum and in the classroom for the benefit of current and future students with due regard to both its current and future resource needs, by incorporating forward planning.

### **1 Financial Management Policy**

#### **Budget - Policy**

The Board of Trustees' most significant means of directing the finances and controlling subsequent expenditure is by measuring results against budgets.

Budgets allocated in a financial year should be used to maximise the benefits to students in that year. The following set out the procedures used in the budget process.

#### **1.1 Procedures – General**

1.1.1 The Budgets for the College, Boarding Department and Preparatory School will be approved by the Board of Trustees (BOT) in its final meeting for the year (December).

#### **1.2 Operational Budgets**

1.2.1 The Headmaster will allocate the financial resources to the various cost centres based on the guidelines set by the BOT in their Governance parameters, approved by resolution at the October BOT meeting.

1.2.2 The Finance Manager will liaise with the committees/individuals in charge of the various cost centres in setting the individual budget lines. The committees/individuals in charge of the various cost centres are listed in Appendix 1.

#### **1.3 Capital Budgets**

1.3.1 Budget Holders are expected to forward plan their need for replacement capital items, e.g. items which are expected to have a useful life of more than one year and cost more than \$500 (individually or collectively if purchasing more than one unit).

1.3.2 Budget holders will apply annually to the Headmaster for Capital items.

1.3.3 The Headmaster will review the list with the Leadership Team and recommend to the BOT a prioritised capital expenditure list with a recommended cut off point.

- 1.3.4 The cut off point shall be determined bearing in mind the following factors:
- i) The future needs of the College as documented in its long term planning documents.
  - ii) It's current operational needs
  - iii) It's current cash flow situation
- 1.3.5 Approval for additional capital items during the year will only be given in exceptional circumstances.
- 1.3.6 During the Capital Expenditure Budget Round, Budget Holders are to identify surplus assets, particularly when they are requesting replacement assets.
- 1.3.7 The Leadership Team may make its own recommendations as to what are surplus assets bearing in mind the following:
- (i) Current policy trends
  - (ii) The College's objectives as outlined in its Strategic plan.

Any such recommendations will be discussed with the Budget Holders concerned.

- 1.3.8 Budget Holders can make recommendations for alternative uses of the assets.
- 1.3.9 The Finance Manager, in consultation with the Budget Holder will arrange for disposal of the surplus assets.
- 1.3.10 Except in the circumstances outlined in 1.3.11 below, funds from the disposal of Surplus Assets will be returned to general funds and treated like any other income source.
- 1.3.11 Where specific assets have been donated to a Department, the Budget Holder of that Department may recommend a better use of the funds from the asset disposal. The Leadership Team will consider the recommendation, bearing in mind the following factors:
- (i) Circumstances of the gift.
  - (ii) If anybody likely to be offended by the disposal of the gift.
  - (iii) The future direction of the College and Department outlined in its strategic plan.

#### **1.4 Parent Teacher Association and other groups.**

- 1.4.1 Annually the Parent Teacher Association (PTA) and other groups may wish to provide finance for various projects. The Leadership Team shall draw up a list of prioritised capital expenditure projects for the year, which it shall discuss with the PTA.
- 1.4.2 Therefore, staff will not approach the PTA directly but will apply for all capital expenditure through the normal procedures.

#### **1.5 TRUST FUNDING APPLICATIONS**

- 1.5.1 Headmaster/Business Development Manager & Finance Manager form the Trust Funding Applications Committee.
- 1.5.2 Procedures reference Appendix 3.

## **1.6 EXPENDITURE**

### **Procedures:**

- 1.6.1 A budget holder must not authorise any expenditure until his/her final budget has been approved.
- 1.6.2 Budget Holders may authorise expenditure in accordance with their approved budgets. Goods and Services will only be ordered on official order forms.
- 1.6.3 Invoices shall be forwarded, for approval, to the Budget Holders who will check that goods/services have been received and that the price is correct. All invoices should be returned to the Finance Office for payment within two days of receipt by Budget Holders.
- 1.6.4 The Finance Manager shall review all invoices for approval and reasonableness. The Headmaster will sight and initial all invoices, payments and reimbursements on a monthly basis.
- 1.6.5 All invoices will normally be processed through the computer system after being approved. Only in exceptional circumstances will manual cheques be issued.
- 1.6.6 Cheques will require two signatures. One of which will be the Finance Manager, the other an appointed signee or the Headmaster.
- 1.6.7 Other cheque signatories will be approved by the BOT.
- 1.6.8 Any reimbursements or payments to Finance Manager or Headmaster shall be authorised and/or cheque signed by another cheque signatory.
- 1.6.9 A list of all cheques issued will be presented upon request by the BOT.

## **1.7 QUOTES AND TENDERING**

- 1.7.1 The Board of Trustees policy is that the wider school community should be supported whenever possible. Therefore, where parents, Old Boys and other supporters of the College are price competitive, they should be used in preference to other suppliers.
- 1.7.2 For any expenditure over \$1,000, at least two quotes should be obtained.
- 1.7.3 For any expenditure over \$50,000 public tenders should be called.
- 1.7.4 For general expenditure, the Finance Manager should ensure that an annual review of our suppliers cost and quality takes place.

## **1.8 DISCRETIONARY FUNDS**

- 1.8.1 A list of discretionary funds and their uses are listed in Appendix 2.
- 1.8.2 These funds are subject to the normal budget procedures and restraints.

## 1.9 REIMBURSEMENT OF OUT OF POCKET EXPENSES

Expenses incurred by staff in performing their duties will be reimbursed by the College, subject to the following guidelines:

1.9.1 The normal budget restraints apply.

1.9.2 Expense reimbursement form must be completed and authorised by a person allowed to commit the College to expenditure, e.g. The Budget Holder and countersigned by the Headmaster.

1.9.3 The claim must be accompanied by invoices/receipts.

1.9.4 It is not appropriate to entertain staff out of classroom budgets; entertainment can only be claimed if prior approval of the Headmaster is obtained.

## 1.10 INCOME

### Procedures

1.10.1 All income except school fees and unspecified donations are subject to GST.

1.10.2 All income shall be directed through the Finance Office.

1.10.3 No income collected for ANY COLLEGE ACTIVITY shall be held in other than the bank accounts directly under the control of the Board of Trustees.

1.10.4 All subject fees, material charges etc charged to students must be approved by the Leadership Team during the process of completing the Curriculum Booklet.

1.10.5 When charging through the College's financial system, the Budget Holder is to provide class/team lists to the Finance Administrator.

**NB** it is the responsibility of the Budget Holder to ensure that the list provided is accurate.

1.10.6 A receipt should be available to all payers if requested. All monies will be banked regularly.

## 1.11 SCHOOL FEES & ACTIVITIES FEES

### 1.11.1 The Law regarding School Fees and Activities Fees

**(i) School Donation**

The School Donation is a voluntary donation and its collection cannot be enforced except by moral persuasion. Note We withhold the Nelsonian from those students who do not pay.

**(ii) Class fees**

These are materials that students take home; students cannot be forced to take the materials home nor can they be stopped from doing a curricular subject because they do not take materials home. If they do not take materials home the debt is not enforceable.

**(iii) Activity fees**

These are for extra-curricular activities and include such things as class trips, Matakai trips, sports trips and sport affiliation fees. The payment of these fees is compulsory if the student wishes to take part in those activities.

Due to the different nature of these fees our policy for them has to be different.

### **1.11.2 SCHOOL DONATION**

- (i) The primary responsibility for notifying parents of the voluntary nature of the donation and its collection is the administrations.
- (ii) The School donation will be notified to parents late February/early March once the roll is confirmed as correct. Reminders will be sent at the end of each term, including the option of partial or extra donations which can be tagged to defined areas of College expenditure
- (iii) Parents will be offered a discount on the school donation if paid by a date determined by the Headmaster..

### **1.11.3 CLASS FEES**

- (i) The primary responsibility of billing and collection of Class Fees is shared between the HOD and Administration.
- (ii) First invoicing by mid-March will include, as well School fees and PTA fees,
  - Fees for whole year courses
  - First half year courses
  - First term courses (year 9)
- (iii) By the time the initial invoice is produced the HOD is responsible for ensuring that the class lists as recorded on KAMAR are correct. This is required for Timetables, Reports, MOE returns and every other aspect that we rely on the KAMAR system for.
- (iv) When the initial invoice is done, the HOD will be provided with a list of all those who have been billed. The HOD must notify the administration immediately if this list is wrong as it affects other areas as outlined above.
- (v) The Finance Administrator will provide an update of who has paid and has not paid, as required. This will be accompanied by simple instructions on what to do with the list, e.g. to remind the student involved of the amount that is outstanding and to inform administration of any errors or movements.
- (vi) At an agreed 'cut-off' point depending on the length of the course, take home materials should no longer be issued to students who have not paid the class fee.
- (vii) A list will be provided to HODs of students who did not pay in the previous year. HODs must then decide in consultation with the Leadership Team if they can practically limit their participation in the courses related to their outstanding debt.
- (viii) The Leadership Team may support the HOD with phone rounds in conjunction with outstanding School fees.

### **1.11.4 ACTIVITY FEES**

- (i) The primary responsibility for informing the administration of who to bill and the enforcement of the collection of monies is the TIC and the Sports Coordinator / Director of Sport.

NB Please note that although charges are raised, invoices are not always sent home in the case of sports trips.

#### **1.11.5 TRIPS**

- (i) The TIC/Sports coordinator will provide the administration with a list of who is going on a trip at least 5 working days before that trip is due to leave. On the Thursday morning, or two working days before, (preferably as early as possible) the administration will provide the TIC/Sports Coordinator with a list of students who have not paid. The TIC/Sports Coordinator should then inform the students that they have not paid and therefore will not go on the trip. The TIC/Sports Coordinator should only then allow the student to go on the trip on production of a receipt from the office or payment to the TIC/Sports Coordinator.
- (ii) The TIC/Sports Coordinator must inform the administration of any errors or omissions in the list of students, ie who has not paid immediately and the names of students who have paid them directly with the money within one working day of returning to the College.
- (iii) The TIC/Sports Coordinator should return the list of students who have not paid, clearly marking those who paid them directly so that administration can update the database.

#### **1.11.6 AFFILIATION FEES**

- (i) A list should be provided to the administration by the TIC/Sports Coordinator at the start of the season. Invoices will then be sent home, lists of those billed will be provided to the TIC/Sports Coordinator. IT IS IMPORTANT THAT THE TIC/SPORTS COORDINATOR INFORMS THE ADMINISTRATION IMMEDIATELY OF ANY ALTERATIONS NEEDED TO THE LIST.
- (ii) After one month the TIC/Sports Coordinator will be provided with a list of students who have not paid . Those students should then not be allowed to participate in that sport until the fee is paid.

#### **1.11.7 HARDSHIP CASES**

In cases of **genuine** hardship for all classes of fees, students should either approach the TIC/Sports Coordinator or Headmaster. Headmaster should then recommend whether the outstanding fee is met out of the HM Hardship Fund. This should be done before the debt is incurred in most cases.

### **1.12 DONATIONS AND SUBSIDIES**

#### **1.12.1 Policy**

Money received as donations and subsidies will be spent on specific projects, not absorbed into the general operating funds.

#### **1.12.2 Procedures**

The Headmaster shall make recommendations on the use of donations, when they are received, to the Board of Trustees.

## **1.13 TRUST FUNDS**

### **1.13.1 Policy**

It is the policy that Nelson College maximises the benefit of those Trust Funds under its control.

#### **Procedures**

1.13.2 Trust Funds under the control of the BOT should be invested within the guidelines of the Trustees Act.

1.13.3 The use of the Trust Funds should be reviewed annually to ensure that they are still appropriate.

## **1.14 INVESTMENTS**

### **1.14.1 Policy**

The Board of Trustees policy on investments is that returns to the College should be maximised by holding Term Deposits at MOE authorised banking institutions per 1.14.3 below.

#### **Procedures**

1.14.2 The Financial Manager shall make recommendations to the BOT on Investments for their decision.

1.14.3 Investments must comply with the Education Act 1989 and Public Finance Act 1989.

## **1.15 FUNDRAISING**

1.15.1 Staff in charge of fundraising ventures, e.g. Drama Production and Workday, will prepare a budget for the venture.

1.15.2 The budget will include funds raised and likely expenditure. Actual performance against budget will be noted and any explanation for significant variances presented to the Leadership Team.

## **1.16 TIMETABLE**

The Headmaster shall, by the September meeting, recommend a Financial Timetable for approval of the Board of Trustees.

## **1.17 REPORTING**

The BOT will actively promote the dissemination of financial information to all levels of the school community by:

1.17.1 The Board shall report to the Community on its financial performance at least once per year. Such a report shall comply with commonly accepted accounting principles and specifically the Financial Reporting Standards of the Institute of Chartered Accountants of New Zealand.

- 1.17.2 On a monthly basis, the Finance Manager shall consult with the Leadership Team on the overall results of the College (including Boarding and Preparatory).
- 1.17.3 The Finance Manager shall then report to the full BOT.
- 1.17.4 On a monthly basis, the Finance Manager will report the financial results of all departments to the relevant Budget Holder. Where necessary the Finance Manager shall consult with the Budget Holder on those results.

## **1.18 INTERNAL CONTROLS**

### **1.18.1 Policy**

The Board of Trustees has a statutory duty to ensure that adequate internal controls exist over the finances under their control.

### **Procedure**

1.18.2 The Finance Manager shall ensure that adequate and appropriate internal controls are in place and are documented.

1.18.3 The Finance Manager shall regularly review the Internal Controls and report to the Board thereon.

## **2 PROPERTY**

### **2.1 Policy**

The objective of the Property Policy is to enable the Board of Trustees to:

- 2.1.1 Carry out its primary responsibility of meeting its obligations under the Property Occupancy Agreement, which is to "maintain the property in good order and repair at least equivalent to their condition at the time of signing the document or at the time of completion of each extraordinary maintenance item".
- 2.1.2 Provide the best possible environment at Nelson College. In doing so, it will provide the opportunity to achieve success and fulfilment while at College, whether in academic, cultural, sporting, creative, social or other areas of development.
- 2.1.3 The Board of Trustees will actively seek to improve the facilities to meet the needs of the College, Community and its Charter objectives.

The responsibility for overseeing the implementation of the Property Policy will be the Leadership Team.

### **2.2 Property Covered by this Policy**

- 2.2.1 Land and Buildings as specified in the Property Occupancy Contract and Hostel Agreement.



- 2.2.2 The Land and Buildings known as Mataki Lodge, being the Outdoor Education Centre based at Matakītiki Valley including the land leased from the Department of Conservation.
- 2.2.3 The buildings which presently house the Preparatory School.
- 2.2.4 The playing fields and changing sheds commonly referred to as the Broads Playing Fields bounded by Franklyn, Tipahi and Vanguard Streets.
- 2.2.5 Any future property purchased, donated to, occupied or leased by the Board of Trustees.

### **2.3 Property Plan (MOE) & Commercial Property Plan (non MOE)**

- 2.3.1 The Deputy Headmaster shall prepare a ten year rolling Property Plan (MOE) for the College MOE property. This will include all aspects of maintenance and Capital works, which comes under the responsibility of the Board of Trustees.
- 2.3.2 The Deputy Headmaster will consult with the Leadership Team to ensure the Property Plan (5Y Modernisation and 10Y Maintenance) reflects the requirements of the College as identified by the Board of Trustees.  
The Finance & Property Committee will approve quotes and tenders for programmed maintenance work and recommend approval any extraordinary expenditure on property items outside the budget.
- 2.3.3 The Property Plan (MOE) will be presented to the Board of Trustees for their consideration and approval by the Deputy Headmaster.
- 2.3.4 A separate Commercial Property Plan (non-MOE) will be developed for all the Property which is College owned and constitutes the Private divisions of the College.
- 2.3.5 A Committee made up of the Commercial Property Manager, Headmaster, Finance Manager and a BOT rep will determine and implement the Commercial Property Plan (non-MOE).

The Headmaster will present the Commercial Strategic Plan (non-MOE) to the BOT and report on its implementation.

### **2.4 Caretaking and Cleaning**

- 2.4.1 The Cleaning Supervisor and Deputy Headmaster shall meet weekly to discuss caretaking issues. This may include a tour of the College buildings and grounds.
- 2.4.2 The Deputy Headmaster will review the performance of the cleaning staff regularly. The results of this review will be communicated to the on-site Cleaning Supervisor.

### **2.5 Grounds**

- 2.5.1 The Deputy Headmaster, in consultation with the Leadership Team, will incorporate into the above Property Plans a development plan for the College grounds, including Boarding.

The Development Plan will incorporate such things as: Landscaping Plans for future plantings and development of areas  
The plan shall be reviewed annually and updated.

- 2.5.2 The Deputy Headmaster, on recommendation from grounds contractor and after consulting with the Headmaster, may place the sports fields out of bounds. The general guideline shall be if the City Council or similar authority closes its sports grounds, then the College shall close its sports grounds. Such closure shall apply to the use of sports grounds by boarders.
- 2.5.3 No trees or plants shall be felled or trimmed by anybody except the grounds contractor under instruction from the Deputy Headmaster in consultation with the Headmaster.

## 2.6 Compliance with Regulations

- 2.6.1 Nelson College will comply with local body and other health and safety regulations in regard to the school's equipment, buildings and grounds. Responsibility for reviewing potentially dangerous equipment is delegated to:

<b>Person Responsible</b>	<b>Area</b>
Headmaster	Overall supervision for whole school
Deputy Headmaster	Grounds / all College owned Property assets
Nelmac	Grounds
Deputy Principal Commercial	Boarding/International
HOF Science	All Laboratories and lab equipment
HOD Graphics and Tech	Technical Block, Trades Centre
HOD PE	Gymnasium equipment
HOD Matakī	Matakī Site
HOD Outdoor Education	Outdoor Education Activities
Catering Manager	Catering

- 2.6.2 Nelson College will develop and implement a programme, which aims to encourage safe practices and reduce hazards.
- 2.6.3 The Finance Manager will undertake an annual review and report on the insurance policies held to ensure appropriate coverage.

## **APPENDIX 1**

### **COST CENTRES**

#### **COLLEGE**

Trading Activities	Finance Manager
Staffing	Headmaster
Curriculum	Deputy Principal - Academics
Property – Programmed & MOE Funded	Deputy Headmaster
Property – Commercial	Deputy Headmaster
Administration	Headmaster
Student & Staff Support	Deputy Headmaster, Deputy Principal (Pastoral)
Marketing & Publications	Headmaster, Deputy Principal (Commercial)
Other Leadership Team	Leadership Team
Co Curricular	Deputy Headmaster

#### **HOSTELS**

Barnicoat House	Housemaster Barnicoat
Fell House (Rutherford)	Housemaster Fell (Rutherford)
Sanatorium	School Nurse
Programmed Maintenance	Deputy Headmaster
General Expenses	Deputy Principal Commercial
Catering	Catering Manager

#### **PREPARATORY SCHOOL**

Head Teacher – Preparatory School

## **APPENDIX 2**

### **DISCRETIONARY FUNDS**

The following are the guidelines for use of these funds:

(a) **Minor Capital Expenditure**

The Headmaster may authorise un-budgeted capital expenditure up to \$500.

(b) **Developing Sports**

The Headmaster may authorise expenditure to assist the developing sports with un-budgeted capital and/or operational items up to \$500.

(c) **Headmaster's Hardship Fund (a budgeted line)**

At the Headmaster's discretion for such things, but not exclusively, as hardship cases, new programmes not budgeted for, and one-off specials.

## APPENDIX 3

### TRUST FUNDING APPLICATIONS

The following are the guidelines for applications:

- (a) Initial expression of need/interest generated by coach/manager/coordinator of an event/programme/activity (or from Leadership Team/coordinators).
- (b) Submitted to:
  - If a sport/event request – Director of Sport and his Sports Coordinators Committee
  - For all other co-curricular/property – Deputy Principal, Co-Curricular/Property.
- (c) Recommendation then to Leadership Team for approval to go to the Board of Trustees as a resolution to go forward (or for it to be declined).
- (d) All applications are then made by Mark Vinsen as Business Development Director (BDD), monitored and followed up by him and by the Finance Manager.
- (e) Copies of the application form are to be filed with the Headmaster/Finance Manager/Stakeholders/BDD and held in the school accounts by the Finance Manager.
- (f) Approved funds are to be received by the Finance Manager and held in the school accounts by the Finance Manager.
- (g) Invoice payment is to be approved and signed by the code/activity applicant, the BDD and the Finance Manager.
- (h) Reconciliation of accounts to be done by the Finance Manager and approved by the BDD.
- (i) **Unanimous** Email approval from the Board of Trustees required for urgent applications