# Board of Trustees Policy: Cash Management (NAG 4)

## Blind & Low Vision Education Network NZ

## Statement of Intent:

The Board of Trustees of the Blind & Low Vision Education Network NZ (BLENNZ) has a responsibility to protect its cash resources. In the formulation and approval of this policy the Board has had due regard to the accepted standards of sound financial management and applies these to BLENNZ and has taken appropriate professional advice.

The Board delegates the day to day management of this policy to the Principal who may further delegate specific responsibilities to other staff members as set out in the Board Delegations Policy.

## Policy Requirements:

### Bank Accounts

1. The Board agrees that two bank accounts shall operate. The main account is for Board general receipts and payments. The Business Saver account will be for short term savings that can be transferred to the main account as required. The only other account permitted shall be for the school’s trust funds should this be required.

2. The Board of Trustees through its Finance Sub-Committee authorises two of any of the following as signatories to BLENNZ’s accounts:

* Principal
* Senior Manager School
* Senior Manager Regional Services
* Senior Manager Administration

3. All cheques and electronic payments/transfers for operating expenses shall be signed/approved by two of the above signatories.”

Signatories must not sign a blank cheque.

All cheques must be issued as ‘Not Transferable”. Where cash withdrawal is required, approval is given for these cheques to be issued “pay cash” and signed accordingly.

At no time shall the cheque account be operated in overdraft without permission from the bank and the Ministry of Education.

Interest bearing deposit accounts shall be operated to hold cash resources not currently required for operating purposes.

If required, separate on-call deposit accounts shall also be operated for Cyclical Maintenance reserves, and fixed asset replacement.

### Trust Funds:

The historical “Homai Special Funds” will be held in the accounts as “Public Equity”. Income received for donor-specified purposes will show in the accounts as current liabilities. All donated funds will be ring fenced for donor specified purposes.

### Investments:

Investments of BLENNZ funds may only be made in accordance with the terms of Section 73 of the Education Act 1989. Notwithstanding the requirements of Section 73, no investments may be made in equity stocks or in synthetic money market products (e.g. Forward Rate Agreements and Interest Rate Swaps). With the exception of bank term deposits, investments may only be made with the written authorisation of the Principal and the Board Chairperson.

### Fundraising:

The Board acknowledges that under Section 73 of the Education Act 1989 some professional fundraising contracts constitute an illegal fundraising contract. No such fundraising contract will be entered into by BLENNZ. If doubt exists about the legality of a proposed fundraising contract, the Principal will contact the regional Financial Adviser of the Ministry of Education for advice.

### Cash Receipts:

1. All cash and cheques received must be receipted. This includes donations, trading income, other local funds receipts and reimbursements for learning materials.

2. No cash received can be used to pay accounts in cash.

3. Only delegated staff may handle cash.

4. All income must be banked as soon as possible after receipt.

5. All cash and cheques kept on any BLENNZ premises must be kept secure and under the control of a delegated person.

### Accounts for Payment:

1. All accounts for payment, other than expense reimbursements and attendance fees, must be supported wherever possible, by a copy of:

* the official BLENNZ order form
* the invoice, with signed certification from the appropriate line manager that the invoice and payee details are correct and,
* if the account is to be paid by cheque, the correctly completed manual cheque requisition form signed by an approved authoriser.

The invoice must be certified by the person who authorises the expenditure.

2. Expense reimbursements must be certified by the manager of the individual being reimbursed, provided the certifier has delegated authority to sign. An expense claim should be supported by GST receipts or invoices and submitted on a monthly basis. Claims for the use of private motor vehicle usage must be certified by the Principal or delegate to indicate that approval was given. Reimbursement rates will be as per the relevant collective employment agreement.

3. Reimbursement claims for the Principal must be authorised by the Board Chairperson.

### Accounting Records:

The Principal shall arrange for proper accounting records to be maintained. The records must satisfy all requirements specified in Acts of Parliament, financial reporting standards and other applicable standards.

The financial system must be so organised by the Principal that the Principal and Chairperson can sign without hesitation the annual Statement of Financial Responsibility as required by Section 42 of the Public Finance Act 1989.

### Periodic and Annual Financial Statements:

At each Board meeting the Principal shall provide financial reports showing:

* Statement of Financial Performance, including comparison to budget
* a summary Statement of Cash Flow and
* a summary Statement of Financial Position.

At each Board meeting the Principal shall also present a written summary report that describes:

* significant matters and/or risks that must be addressed by BLENNZ.

This report shall be presented to members of the Finance Committee prior to their meeting and be tabled at the Board meeting.

Any recommendations made to the Board for the purchase of fixed assets, investments and other use of cash resources must refer to the impact on BLENNZ’s present cash resources and projected cash flows for the next 12 months.

## Supporting Documents:

[MOE Website - School Funding and Financial Management](http://education.govt.nz/school/funding-and-financials/)

BLENNZ Board and Operational Policies

Ratified by the Board:  Date: 26 June 2020

Next Review: 2023