

FINANCE COMMITTEE

ANNUAL REGISTER OF COMPOSITION

Category of Members	Surname & Initials	Date Elected	Race	Gender	Capacity	Home language	2nd Language	Contact Number	Education Level
Principal	CHABELA, T.T	2018/03/08	African/Black	Female	Member	SeSotho	English	083-9930364	
Other Staff	MAZIBUKO, B.P	2021/10/18	African/Black	Male	Secretary	SeSotho		016-9748179	
CS Educator	MOHONO, M.J.E.	2021/04/16	African/Black	Female	Secretary	SeSotho		073-1233069	
Parent/Guardian	NDUMO, I	2021/04/16	African/Black	Female	Treasurer	SeSotho		-	
Parent/Guardian	NTESO, T.M.	2021/04/08	African/Black	Female	Member	SeSotho		-	
CS Educator	SKEE, I.M.	2019/03/01	African/Black	Female	Member	SeSotho		084-7359160	
CS Educator	TAUTSHWANE, A.T.	2021/04/16	African/Black	Male	Member	SeTswana		073-3354827	



FREE STATE
DEPARTMENT OF EDUCATION
ISEBE LEZEMFUNDO
DEPARTMENT VAN ONDERWYS

NELSON MANDELA PRIMARY SCHOOL
FINANCE COMMITTEE
COMPOSITION AS OF 2021/10/18

Member Types	Count
Principal	1
CS Educator	3
Other Staff	1
Parent\Guardian	2
Other Parent	0
Learner Representative	0
Co-Opted	0
	7

Capacities			
Members		4	
Treasurers		1	
Secretaries		2	
Deputy Chairpersons		0	
Chairpersons		0	
Deputy Secretaries		0	
Learner Representatives by Grades			
0	0	0	0
0	0	0	0

Enquiries : T.T Chabela

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**FINANCIAL POLICY
OF
NELSON MANDELA PRIMARY SCHOOL**

Signed by:

A handwritten signature in black ink, appearing to be "Aeso", written over a horizontal line.

SGB Chairperson

31/01/23

Date

A handwritten signature in black ink, appearing to be "T.T. Chabela", written over a horizontal line.

Principal (T.T.Chabela)

31/01/23

Date

A handwritten signature in black ink, appearing to be "F. G.", written over a horizontal line.

Circuit Manager

31/01/23

Date

Tshababala M.
14/3/23
District Office

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Purpose

- A school financial policy should ensure that standardized procedures for good financial management are applied to all school financial affairs
- Required content:

In terms of sections 37 – 44 of the South African School Act 84 of 1996, it is the responsibility of the School Governing Body to do the following:

- Collect school funds to supplement resources from the Department
- Manage school funds
- Keep records of all money received and spent
- Prepare an annual financial statement examined or audited
- Have the annual financial statement examined or audited
- Submit and Audited Statement to the department within six months after the end of the financial year
- Prepare and present to parents an annual budget for the school

Recommended content

- In addition to these points, a school need to develop fundraising policy
- Funds raised-will make a valuable contribution in realizing the object of the school development plan
- Fundraising activities also present valuable opportunity to encourage community participation in the school

Illegal content

- Clearly any policy that promotes financial mal-practice is illegal.
- Provincial regulations recommendations may be put in place governing standard procedures.
- These terms of reference would not be contradicted in our school's policy.

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1. Principles

In terms of section 37 of 44 of SASA No. 84 of 1996 it is the responsibility of the school governing body of the following:

- Keep records of all money received and spend
- Prepare an annual financial statement
- Have the annual financial statement examined or audited
- Submit and Audited Statement to the department within six months after the end of the financial year
- Prepare and present to parents and staff members an annual budget for the school
- This policy aims to provide all the necessary guidelines for the effective execution of all functions attached to governing body as per provincial and national legislation

2. Financial committee composition

- Principal (Accounting Officer)
- Chairperson
- Vice – Chairperson
- Treasurer
- Secretary
- Non-Educator
- Financial Clerk (Financial Officer)

2.1. Duties of school Governing Body (SGB)

- Will be accountable for all the finances of the school;
- Will appoint the Financial Officer (Finance Clerk) and the Accounting Officer (Principal) in writing; and
- Will elect the procurement Committee

Duties of Financial Officer

- The Financial Clerk will be assigned to collect school funds from the learners, hereafter referred to as the Financial Officer
- Money must be paid into the account of the school funds from the learners, hereafter referred to as the Financial Officer
- Money must be paid into the account of the school on the day it was collected
- Financial Officer will be issued with a receipt cash book
- Duties will include the control and recording on a daily basis of income and expenditure
- All income should be recorded daily in the analysis book should correspond or tally.
 - The financial Clerk will deposit the money into the school bank account.
 - Records are recorded and kept in the deposit book and will be kept safe
 - The receipt book, deposit book and analysis book should correspond or tally

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2.3. Duties of Accounting Officer

- Accounting Officer will account to the SGB and DOE with all school monies
 - Chairing of Financial Committee
 - Be one of the signatories
 - Monitor daily income and expenditure
- = SGB Sec 16(A) (K)

2.4. Duties of Treasurer

- Work hand in hand with the Financial Officer
- Prepare financial statement with Financial Officer
- Present the financial statement to the parents

3. Receipt and recording of money

3.1. Introduction

- Money from learners, should be referred to the financial clerk or any designated member of financial committee
- Such money be paid into the account of the school, it must not exceed R10 000 in the strong room.
- The SGB shall appoint a financial officer in writing
- He/ She will be issued will be issued with a receipt cash book
- Duties will include the control and recording of a daily basis on income and expenditure
- All income should be recorded daily in the receipt cash book and expenses in the payment cash book
- Collect fees shall be taken to the bank by the Financial clerk, or any designated member
- After every utilization of funds, receipts will be required and a detailed report.

3.2. Issuing of receipts

- Receipts are issued in numerical order
- The details to be completed in blue/ black ink in a legible hand writing
- Receipt should have the following details on them:
 - Full names and surnames of the payer
 - The date on which payment is made
 - The amount to written in words and figures
 - Nature of the payment e.g. cash/ eft
 - The reason for the payment to be stated e.g. trip sport fees
 - Name and signature of the recipient
 - School stamp on it
- No alterations shall be made on any receipt. If a mistake is made it should be cancelled by writing the word "CANCELLED" across the original receipt an duplicate

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- The receipt book should be ruled of in red ink at the point when money is deposited. The date, series of receipt number and amount being banked should be clearly indicated. Similar balancing should be done in the accounting records, specifically in the receipt cash book, before money is deposited.

3.3. Depositing money

- Deposit slip shall be properly completed and the amount balanced with that in the receipt cash book.
- The financial officer or any designated member is responsible for depositing all the money.
- Arrangements for depositing money must be varied to reduce the risk of loss through robbery. The financial officer must transport the money to be banked, accompanied by a different member of finance on every occasion.
- Arrangements shall be made to obtain bank statement on the last day of every calendar month.
- The school shall only operate with a current account.

4. Payments

- Requisition must be made filled before any payment can be processed
- Signatories must check all supporting document before approving any requisition for payment of goods and services
- All payment vouchers, EFT requisition, bank statements and paid
- shall be properly filed for audit and reference purpose.
- No cash received may be used for payment before deposited.
- Tenders or at least three quotations must be called for in the case of none routine expenditure before any purchase is made starting with R30 000.00, but if the amount exceeds R100 000.00, 5 quotations will be presented.
- The governing body must approve all tenders or quotations. (Finance Recommends)
- Only EFT may be used at any given time. Employee remuneration: Section 38A of Act 84 of 1996 (SASA)
- Teachers conducting extra classes on Saturday and holidays to improve learner's performance.
- Teacher's workshop and conferences .

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Transport

- Official (Educators, Non-teaching and SGB) transport for school activities should be paid in the name of the official after having presented and invitation/ letter confirming that the activity is official.
- All local activities are claimed at the end of the month as a combined amount. Trips that are long distance will be paid out immediately.
- Conferences of educators like AMESA, SAPA etc. will be catered for if fundraising projects succeeded.
- Transport/ travelling will be calculated at R5.40 per km. for all school related trips/ activities.
- All payments should only be made after being authorized by designated officials.
- If transport costs exceed R200 which is the maximum amount for petty cash per day a cheque will be issued out in the name of the educator concerned.
- Public transport will be according to tariffs as laid down by the public industry.

Trips

- To and from local school = R60
- To and from town = 120
- To and from District Office & Vaalpark = 130
- Vanderbijlpark = R160
- Vereeniging = R180

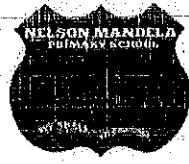
Loading (People and goods)

- Sasolburg = R180
- Vanderbijlpark = R300
- Vereeniging = R350

Pocket money for officials (Educators, Non-teaching staff and SGB) and learners

- Officials who attend workshop for the whole day = R130 per person, but if it is a group they will share.
- Those who sleep over will receive R200 per person, but a group will be sharing
- Learner is R70 for learners doing co-curricular activities, however committees that are able to fundraise will provide for the learners.
- Learners sleep over R140.00

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Cost containment

- Broken/ destroyed property e.g. Windows, Doors
- Lost items e.g. Books, reports, letters
- Payment will be determined by inflation at the time replacement of the item.

5. Withdrawal of money

- Only the authorized signatories are allowed to make withdrawals, and then with the approval of the SGB.
- If no permission was granted prior to the withdrawal, a full account of the reason for the transaction must be made to the SGB
- Signatures of the withdrawers must appear on the slip

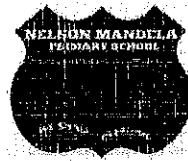
6. Petty Cash

We generate our Petty cash from the school's mini market.

7. Financial reporting

- The financial year of the school run from January to December 31 every year.
- Monthly and yearly financial reports will include all income and expenditure and a statement of the balance in the bank account.
- The SGB shall call a meeting quarterly to present a financial report for the school year
- An audited financial shall be presented to the SGB as soon as books are audited.
- The SGB shall appoint a duly qualified person to audit the books, provided that such a person is not part of the SGB.
- All role players will be provided with a detailed financial report of quarterly basis.

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8. Budgeting

- The annual budget should be drafted by the SGB and finance committee in consultation with other school committees
- This should be presented at the Annual General Meeting, for adoption and approval by the Parents and SGB.
- This meeting should be held between October and November every year
- There shall be a clear link between the Mission statement of the school and budget of the school. All activities of the school must be related to one or more of the goals of the Mission statement.
- The budget shall only be drawn once the goals of the school for the year have been identified.
- The responsibility of budgetary control is vested in the SGB, On day to day basis this is the responsibility to the financial officer and the principal
- The budget shall be drafted in line with department policies.
- On budget expenditure preferences should be given to cost directly linked to the provision of education to learners.
- Finances will be allocated for each committee according to the school prioritized needs

9. Fundraising

- All committee are expected to start fundraising as early as possible for their respective committee activities and not let funds exhaust before they could start fundraising
- Committees should hand over fundraising plan and needs to the HOD responsible for that committee before a budget is drafted.
- A plan must be provided for fundraising projects
- Funds will be collected by all educators and be handed in, to financial clerk for depositing and thereafter present the report of the money collected to the head of fundraising who will be a member of the finance committee.
- A register will be kept for each educator and committee. A receipt will be issued out for any amount of money paid/ reported to the Financial Officer.
- Finance committee members will be involved in controlling the fundraising
- Should there be loss/ mismanagement of funds the responsible official (educators, non-teaching staff ad SGB members) will be accountable for repayment/ be charge with misconduct.
- After every project, the report should be submitted to the finance committee in writing

Developing a sound procurement policy

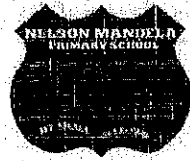
A school can face serious liquidity problems if debtor control is effective. Therefore, you need to ensure that there is a proper requisitioning system in your school so that funds are spent as allocated, for example, if the funds are requisitioned for maintenance, and the requisition approved, the funds must be committed under maintenance.

- a) Procurement of goods and services can be done in different ways, depending on the type of item that is being requisitioned. The Provincial Education Departments should have a Section 20 or schools can be granted are some goods directly from

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1. Contracts and non –contract items

The PEDs can enter into contracts with various suppliers on behalf of school and provide schools with lists of contracted suppliers, together with catalogues received from the suppliers. Be certain items cannot be bought on contract, e.g. groceries for home economics. These should be bought from local suppliers.

2. Bulking Buying

Bulking buying is more appropriate for centralised procurement, e.g. PEDs have a central warehouse and purchase textbooks for delivery to all the section 20 schools in the province. School need to consider their cash flow situation and storage facilities available, before purchasing goods in bulk.

3. Tendering

This method can be applied in both centralised and developed procurement system. The procedures for tendering must comply with the following requirements:

- The tendering procedures must be efficient and effective
- Order can only be submitted after formal approval of the tender
- The finance Committee/ Tender Committee should ensure that the order is placed with the contracted supplier.

4. Commitment register

In order for your school to access funds on the Financial Management System of the PED, the following procedures should be adhered to:

- The school must commit the funds by completing a requisition form and forwarding it to the department.
- The budgeting officer or dedicated official will deduct the committed funds form the school's allocated budget and place the order.

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5. Requisitioning

Request for the acquisition of goods or services must only be accepted from the principal, members of the SMT (HODs) or Finance committee. The HODs / Finance committee must in turn co-ordinate and approves all the requests for goods and services of a general nature that have not been requested by teachers or committees members must be approved by the principal.

The principal, HODs and Finance Committee must consider the following prior to the approval or requisition:

- Existing levels of stock available
- The need to acquire the goods or services based on the priorities and objectives of the department/ committee
- The availability of adequate funds in the approved budget for the specific activity.
- The following process must be followed for requisitioning
- All requests must be processed by means of a standard pre-printed, pre numbered
- Purchase requisition forms, which is should be the prescribed form.
- The items requisitioned should be selected from a catalogue provided. Where the items are not provided in the catalogue three quotations should be requested.
- The requisition form must state: the item code on the catalogue, the account number for item, the exact quantity ordered, and the cost centre number(i.e. the number that identifies the school
- The requisition forms should be numbered in a sequence so that the school is able to keep track of the number of requisitions completed each month.
- The requisition form number should be quoted on the order from when an order is placed with a supplier.

6. Ordering

The treasurer of the finance committee must co-ordinate request early in the school financial year on the basis of the planning and budgeted activities. The budgeting activities provide information on the nature of goods and services required, quantity required and expected date of delivery. The following information should be included in order forms:

- Date of the order
- Description of goods
- Quantity
- Unit price (as quoted or fixed)
- Amount of VAT (if applicable)
- Total amount
- Delivery instructions

Considering the storage space available at school, a plan must be devised to benefit from discounts offered, e.g. for bulk buying. Such a plan must be approved by the SGB in accordance with the authorisation level applicable to procurement, tenders, quotations, etc. You could see if the other schools in your cluster are ordering the same item and they buy together to get a bigger discount.

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7. Receiving of goods

In the case of decentralised system in system in Section 20 schools, goods are usually delivered to the central stores and distributed by the Provincial Education Departments. It is, however, more cost effective if the Provincial Education Departments can arrange for suppliers to deliver directly to school. The following procedures must be adhered to when receiving the goods directly delivered to your school:

- A member of the Financial Committee and the requisitioning body must receive the goods
- The persons receiving the goods must ensure that the consignment matches the delivery note, which in turn must be matches with the requisition and purchase and order.
- They must make sure that the quantity ordered, the description of the goods and the price are matched. The goods must not be accepted, nor the delivery note signed, if there are any discrepancies with regard to these aspects. This means checking everything received. Do not assume because the book at the top of a box is correct, all the books will be the same. Check them all.
- A prescribe form, the goods received voucher must be signed as evidence that the goods were received. The goods received voucher must be completed in triplicate.
- One copy of the goods received voucher must be submitted to the person in charge of the stocks and assets, one to the accountant/ bookkeeper, and one must be retained in the file.
- The bookkeeper must file the goods received voucher together with the purchase order.

B. Creating a procurement policy

1. Many schools have a separate procurement committee that functions as a sub-committee of the SGB. Other school see this as a function of the finance committee. However, you do this in your school, you need to ensure that your school has a procurement policy. It could be sub-section of your school's financial policy.

In the case of hotels, it is good practice to contract local suppliers for the daily delivery of consumer goods such as bread, milk, meat, etc. With the authorisation of the SGB. Accounts can be opened with such local suppliers.

2.Contents of a procurement policy

The procurement policy should deal with the following aspects:

- Membership for example, one member of the SGB could be the chairperson, supported by two elected teachers and the Administrator/ Financial Officer.
- Meetings when and where these should take place and who should organise the meetings

- Financial records financial procedures and controls to be applied (to be read with the school's Financial policy)
- Budget controls and dealing with variances
- Routine expenditure procedure and lists of approved/ preferred suppliers and service providers.
- Non-routine expenditure procedures for calling for tenders and quotations, including capital expenditure.
- Declaration of interest and recusal all members of the committee and SGB should declare their interests and be prepared to recuse (withdraw) themselves from any procurement or tender related to meeting which is discussing a contract, process or company in which they have an interest.

10. Procurement

- The procurement committee will be comprised of the Finance committee executive along with relevant heads of codes eg. Asset, NSNP etc.