
Financial Policy of Nexus Primary School

SCHOOL STAMP

Date of Adoption by SGB _____

Signed: _____

Date of Verification by Department: _____

Signed: _____

1. Preamble

- 1.1. The Nexus school is bound to the efficient handling, processing and administration of all finances in terms of applicable legislation, namely the South African Schools Act (SASA), Act No 84 of 1996. All legally accepted regulations promulgated there under will be honored and executed.
- 1.2. This financial policy aims to give practical effect to South African Schools Act, as well as to ensure that the school fund and movable and non-movable assets are properly managed.
- 1.3. The South African Schools Act has delegated the responsibilities of the management of public schools' finances to the School Governing Body.
- 1.4. The Policy applies management, educator and non-educator staff and the learners in general.

2. Definitions and acronyms

- ✓ FINCOM – The school finance committee
- ✓ MEC - Member of the Executive Council
- ✓ SFO – School Finance Officer
- ✓ SFP – School Finance Policy
- ✓ SGB – School Governing Body
- ✓ SASA – South African Schools Act
- ✓ NEPA – National Education Policy Act
- ✓ PFMA – Public Finance Management Act

- ✓ SFM – School Financial Manager
- ✓ SAICA – South African Institute of Chartered Accountants
- ✓ ACCA – Association of Chartered Certified Accountants
- ✓ DBE – Department of Basic Education
- ✓ SAAPB – South African Auditing Practice Board
- ✓ IIA SA – Institute of Internal Auditors South Africa
- ✓ AO – Accounting Officer
- ✓ AGM – Annual General Meeting
- ✓ UIF – Unemployment Insurance Fund
- ✓ NSNP – National School Nutrition Program
- ✓ AFS – Annual Financial Statement
- ✓ SARS – South African Revenue Service
- ✓ EFT – Electronic Fund Transfer
- ✓ DSA – Daily Subsistence allowance
- ✓ TA – Travel Allowance
- ✓ KRR – Kilometer reimbursement rate
- ✓ FIC – Financial Intelligence Centre
- ✓ SAIPA – South African Institute of Professional Accountants
- ✓ NECT – National Education Collaboration Trust
- ✓ ISA – International Standards on Auditing
- ✓ GRAP – Generally Recognized Accounting Practice
- ✓ PPPFA – Preferential Procurement Policy Framework Act
- ✓ B-BBEE – Broad-Based Black Economic Empowerment
- ✓ ITB – Invitation to Bid
- ✓ WHO – World Health Organization
- ✓ NICD – National Institute for Communicable Diseases
- ✓ PEDs – Provincial Education Departments
- ✓ SAQA – South African Qualifications Authority
- ✓ ISASA – Independent Schools Association of Southern Africa

3. Application and scope of the policy

A school's financial policy outlines guidelines for managing financial resources, ensuring effective allocation and utilization. Here's a comprehensive overview of financial policy application and scope in schools:

Application:

1. Budgeting: Guides budget preparation, approval, and execution.
2. Accounting: Defines accounting principles, procedures, and standards.
3. Financial Reporting: Specifies reporting requirements, frequency, and format.
4. Procurement: Outlines purchasing procedures and authorization.
5. Fundraising: Regulates fundraising activities and management.
6. Grants Management: Ensures proper management and reporting of grants.
7. Assets Management: Covers maintenance, inventory, and disposal of assets.
8. Risk Management: Identifies and mitigates financial risks.

Scope:

1. School-wide: Applies to all departments, programs, and activities.
2. Financial Transactions: Covers revenue, expenses, assets, liabilities, and equity.
3. Financial Planning: Includes strategic planning, forecasting, and budgeting.
4. Financial control: Ensures segregation of duties, authorization, and approval.
5. Compliance: Adheres to laws, regulations, and industry standards.
6. Ethics: Promotes transparency accountability, and integrity.

4. LEGISLATIVE FRAMEWORK

4.1 The legislative framework for school financial policy in South Africa is guided by several laws, regulations, and policies. Here are some key components:

4.2

Laws and Regulations:

South African Schools Act (SASA), 1996 (Sections 36-43): Deals with financial management, budgeting, and funding. Public Finance Management Act (PFMA), 1999: Regulates financial management in public institutions, including schools. National Education Policy Act (NEPA), 1996: Outlines national education policy, including financial aspects. Employment of Educators Act, 1998: Regulates educator employment and compensation.

5. Functionality of the SGB

- The South African School Act has delegated the responsibilities of the management of public schools' finances to the School Governing Body.
- Oversight: SGBs ensure transparent and accountable financial management, Budgeting: SGBs approve and monitor school budgets, Fundraising: SGBs organize and manage fundraising initiatives, Financial Reporting: SGBs ensure timely and accurate financial reporting.

6. Finance committee

Appointment of Finance Committee

- The finance committee shall be appointed by the school's governing body. The appointment shall be made annually.

Membership

- The finance committee shall consist of:
 - ✓ 3-5 members, including:
 - Treasurer, Financial clerk and The School Principal/ Headmaster (ex-officio member)
- Members shall have expertise in finance, accounting, or education.

Chairperson of Finance Committee

- The chairperson shall be elected by the finance committee members.
- The chairperson shall preside over meetings and ensure the committee's duties are fulfilled.

Procedure of Holding Meetings

- Meetings shall be held monthly
- Meetings shall be scheduled at least 7 days in advance.
- The agenda shall be distributed to members at least 3 days prior to the meeting.
- Quorum: 50% + 1 of members shall constitute a quorum.

Minutes

- Minutes shall be recorded and maintained for each meeting.
- Minutes shall include:

- Date, time, location, Attendees and apologies, Agenda items and discussions, Decisions and action items and Minutes shall be distributed to members and the school's governing body.

Attendance Register

- An attendance register shall be maintained and Members shall sign the register at each meeting.

Duties of Finance Committee in Schools

- Develop and review the school's financial policies.
- Prepare and recommend the annual budget.
- Monitor and review financial reports (e.g., income statements, balance sheets).
- Ensure compliance with financial regulations and laws.
- Oversee financial planning and forecasting.
- Review and approve major financial transactions.
- Conduct audits and reviews as necessary.
- Provide financial guidance to the school administration.
- Ensure transparency and accountability in financial matters.
- Report to the school's governing body on financial matters.

Additional Responsibilities

- Develop and maintain a financial manual.
- Establish and review financial procedures.
- Ensure proper asset management.
- Oversee fundraising activities.
- Review and approve grants and donations.

Code of Conduct

- Members shall maintain confidentiality.
- Members shall disclose conflicts of interest.
- Members shall act in the best interest of the school.

7. Appointment of Finance Functionaries.

Legislative Framework:

- South African Schools Act (SASA), 1996 (Act 84 of 1996), National Education Policy Act (NEPA), 1996 (Act 27 of 1996) and Public Finance Management Act (PFMA), 1999 (Act 1 of 1999)

Key Financial Functionaries:

- Principal/Headmaster (responsible for financial oversight), School Governing Body (SGB) Treasurer and Financial Clerk.

SGB Treasurer:

- Elected by the SGB

Financial Clerk/Accountant:

- Appointed by the SGB

Internal Auditor (optional):

- Appointed by the SGB and Must have relevant experience and qualifications.

Key Considerations:

- **Independence:** Ensure financial functionaries operate independently.
- **Objectivity:** Ensure impartiality and lack of bias.
- **Expertise:** Ensure relevant qualifications, skills, and experience.
- **Integrity:** Ensure high ethical standards and professionalism.
- **Accountability:** Ensure clear lines of accountability.

Ongoing Development:

- **Training:** Provide regular training and professional development.
- **Performance Evaluation:** Conduct regular performance evaluations.
- **Certification Renewal:** Ensure ongoing certification and licensure.
- **Industry Updates:** Stay current with industry developments and best practices.

8. Duty of accounting officer (Principal)

Specific Responsibilities:

- Maintain accurate financial records and accounts, Manage cash flow and ensure timely payments, Monitor and report on budget variances, Provide financial guidance to the School Financial Committee, Develop and implement financial policies and procedures, Ensure transparency and accountability in financial matters and Communicate financial information to stakeholders.

9. Financial Management and governance

- Budgeting, Financial Planning, Accounting, Auditing and Financial Reporting

Governance:

- School Governing Body (SGB), Principal/Headmaster, Financial Manager and Audit Committee

Roles and Responsibilities:

1. SGB:

- Oversees financial management, Approved budget and Ensure transparency and accountability

2. Principal/Headmaster:

- Implementing financial policies, Manages school finances and Reports to SGB

3. Financial Manager:

- Prepare budget, Maintains financial records and Provides financial reports

4. Audit Committee:

- Conducts internal audits and Ensures compliance with regulations

Financial Reporting:

- Annual Financial Statements (AFS), Quarterly Financial Reports and Budget Reports

Audit and Assurance:

- Internal Audit, External Audit and Audit Committee

Challenges:

- Limited financial resources, Inadequate financial management capacity, Corruption and Lack of transparency and accountability

Best Practices:

- Implement robust financial management systems, Ensure transparency and accountability, Conduct regular audits and reviews, Develop financial management capacity and Encourage good governance practices

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Institute of Chartered Accountants (SAICA), Institute of Internal Auditors South Africa (IIA SA) and South African Auditing Practice Board (SAAPB)

By implementing effective financial management and governance practices, schools can ensure:

- Efficient use of resources
- Improved transparency and accountability
- Enhanced financial sustainability
- Better educational outcomes

10. Delegation for approval of payments

Accounting Officer (AO)

- May approve payments up to a certain limit determined by the School Governing Body (SGB), Ensures compliance with financial regulations and policies and Verifies authenticity and legitimacy of payments

Finance Committee

- May approve payments above the AO's limit, up to a certain threshold (determined by the SGB), Oversees financial management and ensures transparency and Reviews and recommend payment approvals.

School Governing Body (SGB)

- Approves payments above the Finance Committee's threshold, Sets financial policies and delegations and Ensures overall financial accountability and oversight.

Delegation Framework:

- Routine payments (e.g., salaries, utilities): AO approval, Non-routine payments (e.g., capital expenditure): Finance Committee approval and High-value or sensitive payments (e.g., tender awards): SGB approval

✓ South African Schools Act (SASA)

Section 36: Accounting Officer's responsibilities, Section 37: Finance Committee's responsibilities and Section 38: School Governing Body's responsibilities

✓ National Education Policy Act (NEPA)

Section 16: Financial management and accountability

✓ Public Finance Management Act (PFMA)

South African Institute of Chartered Accountants (SAICA)

11. SCHOOL BUDGET

Annual General Meeting (AGM) Procedure

- Notice: Provide 30-day written notice to parents, educators, and stakeholders.

- Agenda: Include budget discussion and approval.
- Quorum: Ensure minimum attendance (usually 10% of parents).
- Presentation: Principal/Financial Manager presents budget.
- Discussion: Open discussion and questions.
- Approval: Vote on budget approval (simple majority).
- Minutes: Record minutes, including budget approval.

School Budget Components

1. Income:
 - Government allocation, School fees, Fundraising and Donations
2. Expenditure:
 - Salaries and benefits, Utilities, Maintenance and Resources and materials
3. Capital Expenditure:
 - Infrastructure development and Equipment and furniture

Budget Approval Process

- School Governing Body (SGB) prepares budget, SGB presents budget to AGM, AGM approves or rejects the budget and Approved budget is submitted to the Provincial Education Department.
- ✓ **South African Schools Act (SASA)**
Section 36: School budget and financial management and Section 37: Financial reports and audits
- ✓ **National Education Policy Act (NEPA)**
Section 16: Financial management and accountability
- ✓ **Public Finance Management Act (PFMA)**
Section 44: Delegation of financial powers

Best Practices

- Transparent budget process, Stakeholder involvement, Realistic income projections, Prioritized expenditure, Regular budget reviews and Compliance with regulations

Timeline

- October: SGB prepares budget
- November: AGM approves budget
- December: Budget submitted to Provincial Education Department
- January: Budget implementation

Resources

- Department of Basic Education (DBE), Provincial Education Departments, South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996 and Public Finance Management Act (PFMA), 1999

12. Bank Accounts (Types of Accounts: NSNP, Section 21)

Key Requirements:

- Separate accounts for NSNP and Section 21 funds, Interest-bearing accounts to maximize returns, Annual audits to ensure transparency and accountability, Regular financial reporting to stakeholders and Compliance with Public Finance Management Act (PFMA) and South African Schools Act (SASA).

Bank Account Management:

- School Governing Body (SGB) is responsible for account management, Principal/Financial Manager oversees daily transactions, Dual authorization for transactions (e.g., Principal and SGB Chairperson), Regular account reconciliations and Secure storage of account documents and records.

South African Schools Act (SASA):

Section 36: School finance and accounting and Section 37: Financial reports

- **NSNP (National School Nutrition Program) Account:**
 - Purpose: Manage funds for school nutrition program.
 - Requirements: Separate accounts, interest-bearing, audited annually.
 - Source: Department of Basic Education (DBE) funding.
- **Section 21 Account:**
 - Purpose: Manage funds for school-related activities (e.g., extramural, fundraisers).
 - Requirements: Separate accounts, interest-bearing, audited annually.
 - Source: School-generated funds (e.g., school fees, donations).

Public Finance Management Act (PFMA):

Section 44: Delegation of financial powers and Section 45: Financial management and accountability

Best Practices:

- Regular account reviews and audits, Transparent financial reporting, Secure account management, Compliance with regulations, Stakeholder engagement.

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Institute of Chartered Accountants (SAICA), Institute of Internal Auditors South Africa (IIA SA), South African Auditing Practice Board (SAAPB)

13. Payment of Employees for services rendered (payments for employees From SGB Funds procedure)

South African Schools Act (SASA)

Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA)

Section 44: Delegation of financial powers and Section 45: Financial management and accountability

Procedure

- **Appointment:** SGB appoints employees, ensuring compliance with labor laws, **Salary Scales:** SGB determines salary scales, aligned with Department of Basic Education (DBE) guidelines, **Payment Authorization:** SGB authorizes payments, ensuring funds availability, **Payroll Processing:** School's financial manager processes payroll, **Payment:** SGB funds are used to pay employees.

Requirements

- Employee Contracts: Signed contracts outlining terms, conditions, and salaries, Timesheets: Employees submit time sheets for verification, Payroll Reconciliation:

Regular payroll reconciliations ensure accuracy, Tax Compliance: School complies with tax laws (e.g., PAYE, UIF) and Audit Trail: Maintain audit trail for transactions,

Types of Employees

- Teaching Staff, Non-Teaching Staff (e.g., administrative, support), Temporary/Casual Workers

Payment Frequency

- Monthly (usual practice)

Deductions

- Tax (PAYE), UIF (Unemployment Insurance Fund), Medical Aid (if applicable) and Pension Fund (if applicable)

SGB Responsibilities

- Budgeting: Ensure sufficient funds for employee salaries, Financial Oversight: Monitor payroll expenses, Compliance: Ensure compliance with labor laws, tax laws, and financial regulations.

Best Practices

- Transparent payroll processes, Regular audits, Compliance with regulations, Employee communication, Secure record-keeping

Resources

- Department of Basic Education (DBE), Provincial Education Departments, South African Institute of Chartered Accountants (SAICA), Institute of Internal Auditors South Africa (IIA SA), South African Revenue Service (SARS), Financial year of the school

14. Financial Year End:

- 1 April - 31 March (NSNP)
- 01 January to 31 December (Section 21)
- 30 June Audited financial statement due

Reasons:

- Simplifies financial reporting and auditing, Enables timely submission of financial statements, Facilitates provincial and national budgeting

Financial Reporting Requirements:

- Annual Financial Statements (AFS), Audited Financial Statements, Financial Reports for Provincial Education Department, Financial Reports for the School Governing Body (SGB)

South African Schools Act (SASA)

Section 36: School finance and accounting, Section 37: Financial reports and audits

Public Finance Management Act (PFMA)

Section 44: Delegation of financial powers, Section 45: Financial management and accountability

National Education Policy Act (NEPA)

Section 16: Financial management and accountability

Best Practices:

- Accurate financial record-keeping, Timely financial reporting, Regular audits, Transparent financial management, Compliance with regulations

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Institute of Chartered Accountants (SAICA), Institute of Internal Auditors South Africa (IIA SA), South African Auditing Practice Board (SAAPB)

By adhering to the financial year and reporting requirements, South African schools can ensure effective financial management and accountability.

15. Fund-raising, school functions and Outings(Role of SGB)

Fundraising:

- Purpose: Supplement school funds for resources, infrastructure, and activities.
- SGB Role:
 - Approve fundraising initiatives, Ensure compliance with school policies and laws, Oversee financial management, Encourage transparency and accountability.
- Examples:
 - Bake sales, Charity events, Sponsorship drives, Auctions

School Functions:

- **Purpose:** Promote school spirit, socialization, and community engagement.
- **SGB Role:**
 - Approve and organize events, ensure alignment with school values and policies, manage logistics and finances, Encourage parental involvement.
- **Examples:**
 - Annual festivals, Concerts, Sports days, Parent-teacher association (PTA) meetings

Outings:

- **Purpose:** Enhance learning experiences and promote socialization.
- **SGB Role:**
 - Approve outings, ensure safety and risk management, Oversee financial management, Ensure alignment with curriculum goals.

Examples:

- Educational trips, Cultural excursions, Sports tournaments, Camps

South African Schools Act (SASA)

Section 36: School finance and accounting, Section 37: Financial reports and audits, Section 38: School governing body's powers and functions, National Education Policy Act (NEPA)

Section 16: Financial management and accountability

Public Finance Management Act (PFMA), Section 44: Delegation of financial powers, Section 45: Financial management and accountability

Best Practices:

- Transparency and accountability, Clear communication with stakeholders, Inclusive decision-making, financial management and budgeting, Risk management and safety protocols

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996 and Public Finance Management Act (PFMA), 1999

By fulfilling these roles, the SGB can ensure successful fundraising, school functions, and outings that benefit the school community.

16. Management of Schools Assets (Include disposal of assets procedure, role of the principal, losses and Damages due to employee, cases of theft, burglary or vandalism)**Asset Management Policy:**

- Develop and maintain an asset register, conduct regular asset audits, ensure asset maintenance and repairs and dispose of assets in accordance with procedures.

Disposal of Assets Procedure:

- Identify assets for disposal, obtain approval from School Governing Body (SGB), Advertise assets for sale (if applicable), Receive and evaluate bids and Approve disposal and document.

Role of the Principal:

- Oversee asset management, maintain asset register, conduct regular audits, Investigate losses, damages, theft, burglary, or vandalism and Report incidents to SGB and authorities.

Losses and Damages due to Employee:

- Investigate incidents, Document evidence, Disciplinary action (if necessary), Claim from employee (if applicable) and Report to SGB and authorities.

Theft, Burglary, or Vandalism:

- Report incidents to the authorities, Conduct investigation, Document evidence, Review security measures and Implement additional security measures (if necessary).

South African Schools Act (SASA)

Section 36: School finance and accounting, Section 37: Financial reports and audits and

Section 38: School governing body's powers and functions

Public Finance Management Act (PFMA)

Section 44: Delegation of financial powers, Section 45: Financial management and accountability and National Education Policy Act (NEPA)

Section 16: Financial management and accountability

Best Practices:

- Regular audits and inventories, Secure storage and access control, Maintenance and repair schedules, Clear policies and procedures and Employee training and awareness.

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996 and Public Finance Management Act (PFMA), 1999

Asset Classification:

- Fixed Assets (e.g., buildings, equipment), Current Assets (e.g., supplies, furniture) and Intangible Assets (e.g., software, intellectual property)

Asset Register:

- Asset description, Serial number, Purchase date, Value, Location and Condition

By implementing effective asset management practices, schools can:

- Prevent losses and damages, optimize resource utilization, Ensure accountability and transparency and Maintain a safe and secure environment.

17. Debtors account

Definition:

Debtors account refers to the amount owed to the school by parents, guardians, or other parties for various school-related fees and expenses.

Types of Debtors:

- Tuition fees, School fees, Extramural activity fees, Library fines, Damage to school property, Unreturned school resources (e.g., textbooks, laptops)

Debtors Account Management:

- Maintain accurate records, Send regular statements and reminders, Follow-up on overdue accounts, Implement payment plans (if necessary) and Review and adjust debtors' policy annually

South African Schools Act (SASA)

Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA)

Section 44: Delegation of financial powers and Section 45: Financial management and accountability

National Education Policy Act (NEPA)

Section 16: Financial management and accountability

Best Practices:

- Clear communication with parents and guardians, Transparent fee structures, Regular accounting and reporting, Efficient collection processes and Fair and consistent debt recovery procedures

Debt Collection Procedures:

- Send reminders and notices, Phone calls and emails, Meetings with parents/guardians and Legal action (as a last resort)

Write-Off Procedures:

- Approval from School Governing Body (SGB), Documentation of efforts to collect debt, Consideration of financial hardship and Regular review of write-off policy

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996 and Public Finance Management Act (PFMA), 1999

Debtors' Account Template:

- Debtor's name, Amount owed, Date of invoice, Due date, Payment history and Balance outstanding

By maintaining an efficient debtor's account system:

- Improve cash flow, Reduce bad debts, Enhance financial sustainability and Foster positive relationships with parents and guardians

18. Receipt of payments

- (a) Receipts are issued in numerical order
- (b) The original is given to the payer and the duplicate/carbon paper is retained
- (c) The details are to be completed in blue/black ink with clear handwriting
- (d) Receipts should have the following details on them:
 - (i) Full names and surnames of the payer
 - (ii) The date on which payment is made
 - (iii) The to be written in words and figures
 - (iv) The reason for the payment to be stated, e.g. trip, sports fees
 - (v) The nature of the payment, e.g. cash/cheque
 - (vi) Name and signature of the recipient
 - (vii) School stamp on it.
- (e) No alterations should be made to any receipt. If a mistake is made it should be cancelled by writing the word 'CANCELLED' across the original receipt and duplicate
- (f) A receipt should be issued for any amount of money received, and for all cash surpluses
- (g) The receipt book should be ruled off in red ink at the point when the money is deposited. The date, series of receipts numbers and amount being banked should be clearly indicated. Similar balancing should be done in the accounting records, specifically in the receipt book, before money is deposited.

Types of payments

- Cash, Electronic Fund Transfer (EFT), Online payment platforms and Handling of cash

19. Banking.

Banking Requirements:

- Separate bank accounts for school funds, Interest-bearing accounts, Authorized signatories (SGB, Principal, Financial Manager), Regular bank reconciliations and Compliance with Public Finance Management Act (PFMA)

Banking Procedures:

- **Deposits:** cash, EFT
- Deposit slips should be properly completed, and the amount should be balanced with that on the receipt book
- The Principal or the Financial Officer is responsible for depositing all the money
- Arrangements for depositing money must be varied to reduce the risk of loss through robbery. The Finance Officer or the Principal must transport the money to be banked accompanied by a different member of staff on each occasion
- Arrangements should be made to obtain Bank Statements on the last day of each calendar month. The Pastel (Sage accounting) and the Bank Statement should be reconciled on a monthly basis
- The school shall only operate with a cheque account
- **Withdrawals:** authorized signatories, payment vouchers
 - Only the authorized signatories are allowed to make withdrawals, and with the approval of the SGB
 - If no permission was granted prior to the withdrawal, then a full account of the reason for the transaction must be made to the SGB
 - Signatures of the withdrawers must appear on the slip.
- **Payments:** salaries, utilities, suppliers
- **Reconciliations:** monthly bank statements
- **Audits:** annual financial audits

South African Schools Act (SASA) Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Section 44: Delegation of financial powers and Section 45: Financial management and accountability

National Education Policy Act (NEPA) Section 16: Financial management and accountability

Best Practices:

- Secure banking practices, Regular monitoring of accounts, Authorized access controls, Clear financial reporting and Compliance with regulations

Banking Security Measures:

- Secure online banking, Two-factor authentication, Regular password updates, Limited access to authorized personnel and Audit trails

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Reserve Bank, Banking Association South Africa and Public Finance Management Act (PFMA), 1999

Benefits of Effective Banking:

- Financial security, Efficient transactions, Accurate financial reporting, Compliance with regulations and Improved financial management

20. Payments from school funds - EFT account**EFT Account Requirements:**

- Designated EFT account for school payments, Authorized signatories (SGB, Principal, Financial Manager), Secure online banking platform, Two-factor authentication, Regular account reconciliations

Payment Procedures:

- Verify payment details, obtain approval from authorized signatories, Process EFT payment, Update payment records and Maintain audit trail

EFT Payment Types:

- Salaries and benefits, Utility bills (e.g., electricity, water), Supplier payments, School fees refunds and Payments to service providers (e.g., cleaners, security)

EFT Payment Benefits:

- Efficient and secure transactions, Reduced risk of fraud, Improved financial management, Enhanced transparency and accountability and Simplified audit processes

South African Schools Act (SASA) Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Section 44: Delegation of financial powers and Section 45: Financial management and accountability

National Education Policy Act (NEPA) Section 16: Financial management and accountability

Best Practices:

- Regular EFT account monitoring, Secure password management, Limited access to authorized personnel, Clear payment documentation and Compliance with financial regulations.

EFT Account Security Measures:

- Secure online banking platform, Two-factor authentication, Regular password updates, Limited access to authorized personnel and Audit trails

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Reserve Bank, Banking Association South Africa and Public Finance Management Act (PFMA), 1999

EFT Payment Template:

- Payment date, Payment amount, Payee details, Payment purpose and Authorizing signatory

22. Claims for personal expenses

Types of Claims:

- **Travel claims** (e.g., mileage, accommodation, meals)
- **Professional development claims** (e.g., conference fees, training)
- **Other expenses** (e.g., stationery, phone bills)

Claim Procedures:

- Complete claim form, attach supporting documents (e.g., receipts, invoices), Obtain approval from authorized signatory, Submit claim to finance department, Process payment via EFT or cash

Requirements:

- Valid receipt or invoice, Proof of payment (if already paid), Authorization from Principal/SGB, Compliance with school finance policy and a Completed claim form

South African Schools Act (SASA) Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Section 44: Delegation of financial powers and Section 45: Financial management and accountability

National Education Policy Act (NEPA) Section 16: Financial management and accountability

Best Practices:

- Clear claim procedures, Regular audits and monitoring, Secure storage of claim documents, Compliance with financial regulations and Transparency and accountability

Claim Form Template:

- Claimant's name and ID number, Date and purpose of expense, Amount claimed, Supporting documents attached and Authorization signature

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996 and Public Finance Management Act (PFMA), 1999

Timeline:

- Claims submitted within 30 days
- Claims processed within 14 days
- Payment made within 30 days

Types of Travelling Expenses:

- Transportation (e.g., fuel, flights, bus fares),
- Accommodation (e.g., hotel, B&B, guesthouse),
- Meals and refreshments, Conference registration fees (e.g., daily subsistence)

Claim Procedures:

- Complete travel claim form, attach supporting documents (e.g., receipts, invoices, boarding passes), Obtain approval from authorized signatory (Principal/SGB), Submit claim to finance department and Process payment via EFT or cash

Requirements:

- Valid receipt or invoice, Proof of payment (if already paid), Authorization from Principal/SGB, Compliance with school finance policy and Completed travel claim form

Travel Allowance Rates:

- Daily subsistence allowance (DSA), Travel allowance (TA) and Kilometer reimbursement rate (KRR)

South African Schools Act (SASA) Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Section 44: Delegation of financial powers and Section 45: Financial management and accountability

National Education Policy Act (NEPA) Section 16: Financial management and accountability

Best Practices:

- Clear travel policies, Regular audits and monitoring, Secure storage of travel documents, Compliance with financial regulations and Transparency and accountability

Travel Claim Form Template:

- Claimant's name and ID number, Travel dates and purpose, Destination and mode of transport, Expenses incurred (itemized), Supporting documents attached and Authorization signature

Resources

- Department of Basic Education (DBE), Provincial Education Departments, South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996 and Public Finance Management Act (PFMA), 1999

Timeline:

- Claims submitted within 30 days
- Claims processed within 14 days
- Payment made within 30 days

Travel Expense Categories:

- Official business travel, Professional development travel, Sport and cultural tours and Other:

23. Cash advances**Purpose:**

Cash advances are provided to school employees for official business purposes, such as:

- Travel expenses, Conference registration fees, Workshop materials and School events and activities

Types of Cash Advances:

- Travel advance, Event advance, Workshop advance and Miscellaneous advance

Procedure:

- Complete cash advance application form, Obtain approval from authorized signatory (Principal/SGB), Receive cash in advance, Incur expenses and obtain receipts, Submit

expense report and receipts within specified timeframe (usually 14-30 days) and Reconcile advance and refund excess (if applicable)

Requirements:

- Valid reason for cash advance, Completed application form, Authorization from Principal/SGB, Available funds in school budget, Compliance with school finance policy

South African Schools Act (SASA) Section 36: School finance and accounting **and** Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Section 44: Delegation of financial powers **and** Section 45: Financial management and accountability

National Education Policy Act (NEPA) Section 16: Financial management and accountability

Best Practices:

- Clear cash advance policies, Regular audits and monitoring, Secure storage of cash advance documents, Compliance with financial regulations and Transparency and accountability

Cash Advance Form Template:

- Employee name and ID number, Purpose of cash advance, Amount requested, Estimated expenses (itemized) and Authorization signature

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996, Public Finance Management Act (PFMA), 1999

Timeline:

- Applications submitted 7-14 days prior to event/travel
- Cash advance issued 2-3 days prior to event/travel
- Expense report submitted within 14-30 days

Consequences of Non-Compliance:

- Disciplinary action, Recovery of advance from employee and Loss of cash advance privileges

24. Petty cash payments from school funds

Definition: Petty cash refers to a small amount of cash kept on hand for minor, urgent, or unexpected expenses.

Purpose:

- Convenience, Efficiency and Emergency funding

Types of Petty Cash Expenses:

- Stationery and supplies, Postage and courier services, Minor repairs and maintenance, Travel expenses (e.g., fuel, tolls) and Miscellaneous (e.g., refreshments, gifts)

Petty Cash Management:

- Designate a petty cash custodian, Set a petty cash limit (R2,000), Maintain a petty cash register/book, Record transactions (date, amount, purpose) and Reconcile petty cash regularly

Petty Cash Procedures:

- Complete petty cash voucher, Obtain approval from authorized signatory, Receive petty cash, Incur expenses and obtain receipts and Submit receipts and reconcile petty cash

Requirements:

- Valid reason for petty cash expense, Completed petty cash voucher, Authorization from Principal/SGB, Available funds in school budget and Compliance with school finance policy

South African Schools Act (SASA) Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Section 44: Delegation of financial powers and Section 45: Financial management and accountability

National Education Policy Act (NEPA) Section 16: Financial management and accountability

Best Practices:

- Clear petty cash policies, Regular audits and monitoring, Secure storage of petty cash and documents, Compliance with financial regulations and Transparency and accountability

Petty cash Register Template

- Date, Amount, Purpose, Receipt number and Balance

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996 and Public Finance Management Act (PFMA), 1999

Timeline:

- Petty cash reconciliations: monthly and Petty cash audits: quarterly

Consequences of Non-compliance:

- Disciplinary action, Recovery of funds from employees and Loss of petty cash privileges

25. Financial Records and Reports

Asset Register:

An asset register is a comprehensive record of a school's fixed assets, including:

- Land and buildings, Vehicles, Equipment (e.g., computers, furniture), Library books and resources, Sports equipment, Musical instruments and Art and cultural assets

Asset Register Template:

- Asset ID, Asset description, Category (e.g., land, building, equipment), Acquisition date, Cost/value, Depreciation (if applicable), Location, Condition (e.g., good, fair, poor) and Disposal date (if applicable)

Asset Register Requirements:

- Accurate and complete records, Regular updates (e.g., additions, disposals), Secure storage and access controls, Compliance with financial regulations and policies and Regular auditing and review

Benefits of Asset Register:

- Accurate financial reporting, Efficient asset management, Reduced asset loss or theft, Improved maintenance and repair planning and Enhanced accountability and transparency

South African Schools Act (SASA) Requirements: Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Requirements: Section 44: Delegation of financial powers and Section 45: Financial management and accountability

Best Practices:

- Regularly review and update asset register, Conduct annual physical asset verification, Ensure accurate and complete records, Implement asset tagging and tracking system and Develop asset management policy and procedures

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Institute of Chartered Accountants (SAICA), Institute of Internal Auditors (IIA) and Financial Intelligence Centre (FIC)

Consequences of Non-Compliance:

- Disciplinary action, financial penalties, Loss of funding, Reputation damage and Legal action

Bank deposit book

Purpose:

A bank deposit book is used to record and track deposits made into the school's bank account.

Benefits:

- Accurate record-keeping, Easy tracking of deposits, Simplified reconciliation, Enhanced financial transparency and Improved accountability

Information Recorded:

- Date of deposit, Amount deposited, Deposit method (e.g., cash, EFT), Reference number (e.g., invoice number) and Description of deposit (e.g., school fees, donations)

Bank Deposit Book Template:

Date	Amount	Method	Reference	Description
---	---	---	---	---
2023-02-01	R1,000.00	Cash	SF001	School fees
2023-02-05	R5,000.00	EFT	DON001	Donation

Requirements:

- Accurate and complete records, Regular updating, Secure storage and access controls, Compliance with financial regulations and policies and Regular auditing and review

South African Schools Act (SASA) Requirements: Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Requirements: Section 44: Delegation of financial powers and Section 45: Financial management and accountability

Best Practices:

- Regularly review and reconcile deposit book with bank statements, ensure accurate and complete records, Use a secure and tamper-proof deposit book, Limit access to authorized personnel and Conduct regular audits and reviews

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Institute of Chartered Accountants (SAICA), Institute of Internal Auditors (IIA) and Financial Intelligence Centre (FIC)

Consequences of Non-Compliance:

- Disciplinary action, financial penalties, Loss of funding, Reputation damage and Legal action

Payment authorizing file

Purpose:

A payment authorization file is used to document and track authorized payments made by the school.

Benefits:

- Ensures payment authorization, Maintains financial transparency, Supports auditing and accounting, Reduces errors and irregularities and Enhances accountability.

Information Recorded:

- Payment date, Payment amount, Payee name, Payment purpose (e.g., invoice number, description), Authorization signature and Payment method (e.g., EFT, cheque)

Payment Authorizing File Template:

| Date | Amount | Payee | Purpose | Authorization | Method |

| --- | --- | --- | --- | --- | --- |

| 2023-02-01 | R5,000.00 | ABC Suppliers | Invoice #123 | Signed: Principal | EFT |

Requirements:

- Accurate and complete records, Regular updating, Secure storage and access controls, Compliance with financial regulations and policies and Regular auditing and review

South African Schools Act (SASA) Requirements: Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Requirements: Section 44: Delegation of financial powers and Section 45: Financial management and accountability

Best Practices:

- Regularly review and verify payment authorizations, Ensure accurate and complete records, Use a secure and tamper-proof payment authorizing file, Limit access to authorized personnel and Conduct regular audits and reviews

Resources:

- Department of Basic Education (DBE), Provincial Education Departments, South African Institute of Chartered Accountants (SAICA), Institute of Internal Auditors (IIA) and Financial Intelligence Centre (FIC)

Consequences of Non-Compliance:

- Disciplinary action, Financial penalties, Loss of funding, Reputation damage and Legal action

26. Petty Cash authorizing file

Purpose:

A petty cash authorizing file is used to document and track authorized petty cash transactions in schools.

Benefits:

- Ensures petty cash accountability, Maintains financial transparency, Supports auditing and accounting, Reduces errors and irregularities and Enhances financial management

Information Recorded:

- Date, Amount, Purpose (e.g., stationery, travel), Authorizing signature (Principal/SGB) and Receipts/Invoices attached

Petty Cash Authorizing File Template:

Date	Amount	Purpose	Authorization	Receipts
---	---	---	---	---
2023-02-01	R500.00	Stationery	Signed: Principal	Attached

Requirements:

- Accurate and complete records, Regular updating, Secure storage and access controls, Compliance with financial regulations and policies and Regular auditing and review

South African Schools Act (SASA) Requirements: Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Requirements: Section 44: Delegation of financial powers and Section 45: Financial management and accountability

Best Practices:

1. Regularly review and verify petty cash authorizations
2. Ensure accurate and complete records
3. Use a secure and tamper-proof petty cash authorizing file
4. Limit access to authorized personnel

Consequences of Non-Compliance:

- Disciplinary action, financial penalties, Loss of funding, Reputation damage and Legal action

Petty Cash Policy:

- Define petty cash purpose and scope, Set petty cash limit (R2,000), Designate petty cash custodian, Establish approval process, Outline reimbursement procedures

27. Petty cash book

Purpose:

A petty cash book is used to record and track small, daily expenses in schools.

Benefits:

- Easy tracking of small expenses, Simplified financial management, Enhanced accountability, Reduced errors and irregularities and Improved financial transparency,

Information Recorded:

- Date, Amount, Purpose (e.g., stationery, travel), Receipts/Invoices attached and Balance

Petty Cash Book Template:

Date	Amount	Purpose	Receipts	Balance
---	---	---	---	---
2023-02-01	R500.00	Stationery	Attached	R500.00
2023-02-05	R200.00	Travel	Attached	R300.00

Petty Cash

- A maximum of R2 000.00 will be made available in cash for the requirements of the school
- Unnecessary use of petty cash must be avoided. Wherever possible the amount must be determined in advance.
- No advances may be made out of the petty cash
- Only the Finance Officer, Principal or any other person/s duly authorized by the SGB may have access to Petty Cash
- Petty cash may only be removed from the tin if replaced by an approved petty cash voucher
- The Petty cash should balance and reconciled monthly
- The cash in the Petty cash tin must always add up R2000.00 (maximum amount) together with the vouchers inside combined
- Petty cash must be stored in a very safe place at all times

28.Receipt book**Purpose:**

A receipt book is used to document and track receipts for payments made to the school.

Benefits:

- Accurate record-keeping, Easy tracking of payments, Simplified financial management, Enhanced accountability and Improved financial transparency

Information Recorded:

- Receipt number, Date, Amount, Payment method (e.g., cash, EFT), Payment description (e.g., school fees, donations) and Payer's name

Receipt Book Template:

Receipt No.	Date	Amount	Method	Description	Payer
---	---	---	---	---	---
001	2023-02-01	R1,000.00	Cash	School fees	John Doe

Requirements:

- Accurate and complete records, Regular updating, Secure storage and access controls, Compliance with financial regulations and policies and Regular auditing and review

South African Schools Act (SASA) Requirements: Section 36: School finance and accounting and Section 37: Financial reports and audits

Public Finance Management Act (PFMA) Requirements: Section 44: Delegation of financial powers and Section 45: Financial management and accountability

Best Practices:

- Regularly review and reconcile receipt book with bank statements, Ensure accurate and complete records, Use a secure and tamper-proof receipt book, Limit access to authorized personnel and Conduct regular audits and reviews.

Consequences of Non-Compliance:

- Disciplinary action, financial penalties, Loss of funding, Reputation damage and Legal action

Receipt Book Policy:

- Define receipt book purpose and scope, Designate receipt book custodian, establish receipt issuance procedure, Outline receipt verification process and Specify receipt storage and security measures

29. Analysis book(sage pastel)**Purpose:**

An sage pastel is used to categorize and analyze financial transactions at Nexus school.

Benefits:

- Accurate financial reporting, Simplified budgeting, Enhanced financial decision-making, Improved financial transparency and Effective resource allocation

Information Recorded:

- Date, Transaction description, Amount, Account code (e.g., salaries, materials) and Analysis code (e.g., teaching, administration)

30. MONTHLY FINANCIAL REPORT

Monthly financial reports for South African schools are crucial for transparency and accountability. Here's what you need to know:

- **Legislative Framework:** The South African Schools Act (SASA) of 1996 and the Public Financial Management Act of 1999 govern financial reporting requirements for schools ¹. These laws outline the responsibilities of the School Governing Body (SGB) and accounting officers.

- **Report Contents:** Monthly reports should include income statements, expenditure statements, balance sheets, bank reconciliation statements, and budget variance analysis.

- **Frequency and Distribution:** Reports are typically distributed monthly or quarterly to stakeholders, including SGB members, parents, and the Department of Education.

- **Key Requirements:**

- **Preparation:** The financial officer must prepare monthly financial reports.

- **Submission:** Reports must be submitted to the Department of Education quarterly.
- **Transparency:** Reports must be made available to stakeholders.
- **Annual Financial Statements:** Nexus Primary School also prepare annual financial statements, which are audited and submitted to the Department of Education.

31. **MONTHLY BANK RECONCILIATION**

Monthly bank reconciliation is a crucial financial management tool for South African schools. Here's what you need to know:

Purpose:

Bank reconciliation ensures accuracy and accountability in school financial management by:

- Verifying bank statements, identifying discrepancies, Preventing financial errors and Detecting potential fraud

Requirements:

1. Conduct reconciliation monthly, within 10 working days of receiving bank statements, Use the South African Schools Act (SASA) and Public Financial Management Act (PFMA) guidelines, And Compare bank statements with school financial records.

Steps:

- Obtain bank statements (paper or electronic), Verify dates and account details, Match transactions on bank statements with school records, investigate discrepancies (e.g., unauthorized transactions), Adjust school records accordingly, Document reconciliation (sign-off by authorized personnel) and File reconciliation documents for auditing purposes

Template:

Typical bank reconciliation template includes:

- Bank statement details, School financial records, Reconciliation summary (debits, credits, balance), Discrepancies (if any) and Adjustments made

Responsible Parties:

- School Financial Officer (SFO), School Governing Body (SGB) Treasurer and Principal/Headmaster

Consequences of Non-Compliance:

- Financial mismanagement, Inaccurate financial reporting, Potential fraud or theft, Auditing issues and Department of Education intervention

By conducting regular bank reconciliations, South African schools ensure financial accountability, transparency, and effective management.

32. **MONTHLY FUNDS AVAILABLE STATEMENT**

The Monthly Funds Available Statement is a critical financial management tool for South African schools. Here's what you need to know:

Purpose:

The statement ensures schools manage funds effectively, make informed decisions, and prioritize spending.

Requirements:

- Prepared monthly by the School Financial Officer (SFO), Presented to the School Governing Body (SGB) and Principal, Aligns with South African Schools Act (SASA) and Public Financial Management Act (PFMA).

Components:

- Beginning balance (previous month's closing balance), Income (grants, donations, fundraising, etc.), Expenditure (salaries, utilities, maintenance, etc.), Closing balance (current month) and Funds available for allocation.

Format:

Typical statement format:

Monthly Funds Available Statement

School Name

Month/Year

| Category | Amount (R) || --- | --- |

| Beginning Balance | xxxxxx |

| Income | xxxxxx |

| Expenditure | xxxxxx |

| Closing Balance | xxxxxx |

| Funds Available | xxxxxx |

Key Indicators:

- Funds available for allocation, Percentage of budget spent and Surplus/Deficit.

Responsible Parties:

- School Financial Officer (SFO), School Governing Body (SGB) Treasurer and Principal/Headmaster.

33. Quarterly income and expenses statement /quarterly financial report in South African schools

Legislative Framework

The South African Schools Act of 1996 and the Public Financial Management Act of 1999 govern financial reporting for schools ¹. These laws outline the responsibilities of the School Governing Body (SGB) and accounting officers.

Quarterly Report Contents**The report should include:**

- **Income Statement:** Details of income received, including grants, donations, and fundraising.
- **Expenditure Statement:** Breakdown of expenses, such as salaries, utilities, and maintenance.
- **Balance Sheet:** Current financial position, including assets, liabilities, and equity.
- **Comparison to Budget:** Actual income and expenses compared to budgeted amounts.

Reporting Requirements

The SGB Treasurer presents the quarterly financial report at each regular SGB meeting, which typically occurs once a quarter. The report is in written form and retained as a permanent record.

34. Annual financial statement

Components:

- Balance Sheet (Assets, Liabilities, Equity), Income Statement (Income, Expenditure), Cash Flow Statement (Inflows, Outflows) and Notes to the Financial Statements (Additional info)

Format:

Typically, the AFS follows this format:

Section 1: Balance Sheet

- Assets (Current, Non-Current), Liabilities (Current, Non-Current) and Equity (Reserves, Funds)

Section 2: Income Statement

- Income (Grants, Donations, Fundraising), Expenditure (Salaries, Utilities, Maintenance) and Surplus/Deficit

Section 3: Cash Flow Statement

- Cash Inflows (Grants, Donations), Cash Outflows (Salaries, Expenses) and Net Change in Cash

Section 4: Notes to the Financial Statements

- Accounting policies, financial performance analysis and Budget variance analysis

Requirements:

- Prepared in accordance with GRAP (Generally Recognized Accounting Practice), Audited by an independent auditor, Submitted to Department of Basic Education (DBE) and Presented to the School Governing Body (SGB)

Responsibilities:

- School Financial Officer (SFO): Prepares AFS, SGB Treasurer: Oversees preparation, Auditor: Conducts audit and Principal/Headmaster: Ensures submission

Key Indicators:

- Surplus/Deficit, Current Ratio, Debtors and Creditors and Asset utilization

The Annual Financial Statement ensures transparency, accountability, and effective financial management in South African schools.

Section

44: Delegation of financial powers

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

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

This policy aims to provide all the necessary guidelines for the effective execution of these functions.

35. Annual Audit

Internal Audit:

- Conducted by the school's internal audit committee or internal auditor, focuses on internal controls, risk management, and governance and Evaluates compliance with school policies, laws, and regulations.

External Audit:

- Conducted by independent auditors appointed by the School Governing Body (SGB), Examines financial statements, accounting records, and compliance with laws, Provides an independent opinion on the school's financial statements.

Audit Process:

- Planning: Identify scope, objectives, and timeline, Fieldwork: Gather evidence, conduct interviews, and review documents and Reporting: Present findings, recommendations, and audit opinion.

Audit Requirements for South African Schools:

- Annual Financial Statements (AFS) must be audited, Audit must be conducted in accordance with International Standards on Auditing (ISA) and Auditor's report must be presented to the SGB and stakeholders.

Key Documents:

- Annual Financial Statements (AFS), Audit Report, Management Letter (internal audit) and Audit Committee Report.

36. School fees

- Nexus Primary School is a no fee school.

37. Procurement (Procedure)

Legislative Framework:

- Public Finance Management Act (PFMA), 1999, National Treasury Regulations, 2019, Preferential Procurement Policy Framework Act (PPPFA), 2000 and Broad-Based Black Economic Empowerment (B-BBEE) Act, 2003

Procurement Process:

- **Needs Assessment:** Identify requirements and specifications.
- **Budgeting:** Ensure funds are available.
- **Procurement Planning:** Determine procurement strategy.

- **Evaluation of quotations:** Assess quotations based on criteria.
- **Ordering:** from the selected suppliers
- **Implementation and Monitoring:** Ensure contract compliance.

Procurement Methods:

- Quotations from suppliers: Pre-qualified suppliers, Negotiated Procurement: Direct negotiation and Emergency Procurement: Urgent or unforeseen needs.

Procurement Roles and Responsibilities:

- School Governing Body (SGB): Oversees procurement, Principal: Ensures procurement compliance, Evaluates quotation, National Treasury: Provides guidance.

Document Requirements:

- Quotation Document: Supplier's response, Contract Agreement: Outlines terms and conditions, Procurement Plan: Details procurement strategy.

Threshold Values:

- Below R10,000: only one quotation.
- R10,000 - R500,000: three formal written quotations.
- Above R500,000: Open tender process.

Procurement Best Practices:

- Transparency and accountability, Fairness and competitiveness, Value for money and Compliance with legislation.

Common Procurement Challenges:

- Corruption, Inadequate documentation, Lack of transparency and Insufficient training.

39. Amendment of the policy

Policy Amendment Process:

- Identify need for amendment, Review of existing policy, Consult stakeholders (SGB, teachers, parents), Draft proposed amendments, Submit to relevant authorities (DBE, Provincial Education Departments), Approval and gazetting and Implementation and monitoring

Key Policies Affecting South African Schools:

- South African Schools Act (SASA), 1996, National Education Policy Act (NEPA), 1996, Curriculum and Assessment Policy Statement (CAPS), 2011, Language in Education Policy (LiEP), 1997 and Inclusive Education Policy (IEP), 2001

Recent Amendments:

- Amendments to SASA (2020): Strengthening governance and accountability, Revised CAPS (2020): Enhancing curriculum and assessment, Updated LiEP (2020): Promoting multilingualism and language diversity and Inclusive Education Policy (2020): Enhancing support for diverse learners

Amendment Guidelines:

- Department of Basic Education's Policy Development Guidelines, National Treasury's Regulatory Impact Assessment Guidelines and South African Human Rights Commission's Guidelines on Education Policy

Stakeholder Engagement:

- School Governing Bodies (SGBs)
- Resources:
 - Department of Basic Education's Policy Documents, South African Government Gazette, National Education Policy Act (NEPA), South African Schools Act (SASA), Constitutional Court judgments on education and Teacher Unions (e.g., SAOU, NAPTOSA)
- Parent-Teacher Associations (PTAs)
- Provincial Education Departments
- National Department of Basic Education

40. APPROVAL**Types of Approval:**

- Registration: Confirming school existence and legitimacy, Accreditation: Verifying quality education standards and Certification: Recognizing compliance with laws and regulations.

Responsible Authorities:

- Department of Basic Education (DBE), Provincial Education Departments (PEDs), South African Qualifications Authority (SAQA), Council for Quality Assurance in General and Further Education and Training (Umalusi) and Independent Schools Association of Southern Africa (ISASA)

Approval Requirements:

- Constitutional compliance, Safety and Security measures, Qualified teaching staff, Adequate infrastructure and resources, Curriculum alignment with national standards, Financial stability and transparency and Governance and management structures

Approval Process:

- Application submission, Document verification, Site inspection, Evaluation and assessment, Approval or conditional approval and Ongoing monitoring and evaluation

Documents Required:

- Application form, Constitution or founding documents, Registration certificate, Proof of qualifications (teachers), Infrastructure and resource plans, financial statements and Governance and management structures

Timeline:

1. Registration: 3-6 months
2. Accreditation: 6-12 months
3. Certification: 3-6 months

Consequences of non-approval:

- Closure or deregistration, Loss of funding, Limited access to resources, Reputation damage and Legal action

Resources: Department of Basic Education's Approval Guidelines, Provincial Education Departments' websites, South African Qualifications Authority (SAQA) website, Umalusi website and Independent Schools Association of Southern Africa (ISASA) website

➤ **The Treasurer**

The treasurer is an important member of the SGB because he/she takes responsibility for the financial progress and reporting of the school.

The treasurer must be elected and is an office bearer

The SGB must:

- Raise extra funds to improve support for learners.
- Establish a school fund.
- Open a school bank account.
- Make sure that all school assets are used for educational reasons.
- Prepare a budget each year.
- Present a budget to parents and get their approval.
- Determine the school fees if majority of parents agree to this.
- Enforce payments of school fees.
- Keep records of:
 - Grant fee exemption after following the correct procedure
 - Money received
 - Money spent
 - Assets
 - Financial transactions
- Appoint an accountant and auditor to look after the financial records of the school annually.
- Submit a copy of the annual financial statements (that have been checked by the auditor) by the end of June for the last year (Jan-Dec)
- Treasurer by assistance of Finance Officer is required to report on and oversee the functions related to finance, however the SGB (all of them) is accountable for good financial management of the school.

➤ **EXPECTATIONS FROM TREASURER**

He /She must:

- Be trustworthy
- Be good in numbers and figures
- Pay attention to detail
- Understands what make for good financial management

Duties of Treasurer

- Develop and implement a school finance policy with the assistance of the Finance Committee (Adopted by the SGB)
- Oversee the keeping of books that show expenditure (money spent) and income (money received)
- Manage procurement (purchase of goods and services through correct quotation and tendering procedures)
- Preparing an assets register
- Collect vouchers for all expenses and receipts and reimburse individuals/people as needed.
- Report to the SGB on financial state.
- Ensure that school funds are properly safeguarded
- Prepare the proposed annual budget (with assistance and input from all stakeholders being the Principal, Educators and Non-educators), so that it can be put together as a single budget and presented to parents at the Annual General Meeting and is submitted to the required authorities.
- Advice of fundraising
- Issue letters to personnel and ensure duties are separated

- Controlling Assets: Making sure that property of school is not stolen or broken can still be used.
- Make sure the SGB does not enter contracts that fall outside the three years of the term of the office.
- Make sure decisions around fee exemptions are made within 30 days of the request.
- Review policies related to finance and make recommendations to the Governing Body.
- Ensure implementation of financial policies of the school.
- Ensuring the preparation and presentation of the monthly financial statement.