



MICHAELIS PRIVATE SCHOOL

"Moving Forward Courageously" with a proud German Heritage

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FINANCIAL MANAGEMENT POLICY

1. Objective

Our objective is to be in a financial position, so as to independently support all school activities ensuring that our children receive the best possible education.

This we achieve through the following:

- a) School fees
- b) Fundraising projects
- c) Donations

2. Auditor

The appointment of the school's auditor shall be agreed upon by the Governing Body annually and must be registered with the Public Accountants and Auditors Board. The financial year-end is 31 December. The financial books must be audited annually and submitted to the auditor for this purpose, before the last day of January in each year.

3. Financial Committee

The financial committee consists of the following persons:

- a) the Treasurer
- b) the Chairman of the Governing Body
- c) the Vice-Chairperson of Governing Body
- d) the Principal of the School

4. Bank and Cash Controls:

4.1 Our Banking details are as follows:

Name of account: Michaelis School
Bank and Branch: First National Bank, Vryheid
Branch Code: 270524
Account Number: 54174008242

4.2 Receipts are issued for all monies received other than through direct banking at the school e.g. school fees, donations, etc. and banking is done at least once a week if the balance of the cash exceeds an amount of R10.000-00. All funds raised through functions held are channelled through the School's office and processed in the normal way. Payments made in cash incur a levy as determined by the treasurer.

4.3 The treasurer signs all credit card payments with the order book issued jointly with the secretary or the principal of the school.

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4.4 The treasurer will approve all payments made by the secretary by co-signing each transaction on the bank statement. An order book is used to control all purchases made for the school and the purchases are controlled against the order. The purchases are authorised by the principal and/or treasurer.

5. **Budget**

The School budget is prepared before the end of each year for approval and acceptance by the annual parent's general meeting at its first meeting in November of the subsequent year. The Treasurer reports to the Governing Body at its meetings for approval of its interim financial statements.

6. **Bank Reconciliation Statement:**

A bank reconciliation statement and an Income and Expenditure statement is to be presented to the Governing Body at its monthly meetings for perusal and discussion.

7. **School fees**

School fees are determined annually in the budget. They are payable monthly in advance (as per the contract parents sign each year). An invoice is to be sent to parents monthly two weeks before the due payment date.

8. **Credit Policy**

- 8.1 Monthly Invoices are issued for payment of school fees a month in advance thereof.
- 8.2 Failing payment, the following enforcement procedures will be followed, unless the Finance committee resolve otherwise: -
- 8.2.1 Phone call and 14 Day Notice to pay letter (account overdue 30 days)
 - 8.2.2 7 Day notice with suspension of child (account overdue 60 days)
 - 8.2.3 Handing over to Lawyers for legal recovery
- 8.3 The financial committee must specifically consider the following prior to their implementation: -
- 8.3.1 Suspension of the child;
 - 8.3.2 Taking legal action;
- 8.4 Only the Governing Body can resolve expulsion
- 8.5 With Special reference to grade 7, all services and exams will be suspended if payment is not up to date by the beginning of the 4th term. Please discuss the implications of suspension of services with the Headmaster.

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9. Financial Assistance

- 9.1 The school may provide financial assistance.
- 9.2 An application for financial assistance is to be made in advance in writing to the Finance Committee, with full disclosure of the parent's financial position.
- 9.3 Any financial assistance amount may not exceed 50% of school fees.
- 9.4 Financial assistance are granted in the sole discretion of the Finance Committee. Financial assistance is reviewable on a monthly basis.

10. Public Benefit Organisation

The school has been registered as a public benefit organisation with S.A. Revenue Services – PBO Exemption No. 18/11/13/1430. Donations by or to the school are exempt from donations tax in terms of section 56(1)(h) of the Act.

Tax Certificates will be issued to donors on request.

The school is a registered Non-Profit Organisation with The Department of Social Development with reference number 082-050-NPO.

11. Funds:

As disclosed in Note 8 of the Financial Statements, certain funds have been established to ring fence monies for specific purposes.

The income and expenses relating to these funds are recognised directly in these funds and where functions are ancillary/secondary to the school, they are not recognised through the statement of income and expenses.

Interest earned on the investment account(s) is allocated proportionally to each fund annually.

Where expenses are incurred for primary activities of the school, the relevant charge is processed to the statement of income and expenses.

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