

Section 20: Opening, Closing and Merging Schools

20.1 Overview

School reorganisations may involve opening, closing or merging of schools. A merger may result in creating a new school where a new school number is issued or renaming an existing school where one of the merging school numbers is retained.

20.2 School Opening

When a new school is to open, a School Finance Liaison Officer (SFLO) will be assigned to assist the new principal and business manager with the financial set up of the school.

20.2.1 Mandatory policy (Must do):

Sequence Numbers	Information	
20.2.1.2	The school is required to open a High Yield Investment account with Westpac Bank and an Official account for transactional purposes at the financial institution of their choice. The SFLO will assist with this process.	
20.2.1.3	Any procurement activity prior to the school opening will be managed through the local region . Contact your Regional Finance Officer for further information.	
20.2.1.4	Liaise with the local school systems training team to have CASES21 set up for the school.	

20.2.2 Prohibited policy (Must not do):

Sequence Numbers	Information	
20.2.2.1	Cannot transact using ABN or school bank accounts until after the opening date of the school.	

20.3 School Closing

From a financial point of view, a school closure will involve finalising contracts, clearing commitments, redistributing assets and closing financial operations.

When a school is scheduled to close, a School Finance Liaison Officer (SFLO) will be assigned to assist the principal and business manager with the financial closure of the school.

20.3.1 Mandatory policy (Must do):

Sequence Numbers	Information	
20.3.1.2	Undertake a stocktake of assets.	
20.3.1.3	Convene a Board of Survey to: <ul style="list-style-type: none">• identify obsolete or unserviceable equipment;• recommend a course of disposal action to school council, for example, relocating items to a neighbouring school, sale of particular items, etc.;• in the case of asset sales, advertise locally that the asset is available for purchase and request bids from interested parties;• arrange for any proceeds of sale to be paid into the school council official account.	
20.3.1.4	Enter the disposal of assets into CASES21.	
20.3.1.5	Close off school level payroll.	
20.3.1.6	All current contracts need to be reviewed and cancelled. This includes but is not limited to leasing arrangements and cleaning contracts as well as any direct debit arrangements.	
20.3.1.7	Ensure all outstanding accounts have been reviewed and either paid or adjusted.	
20.3.1.8	Write off all uncollected family and sundry debtor debts.	
20.3.1.9	Collect and cancel any school purchasing cards.	
20.3.1.10	Conduct a search for unclaimed monies in the name of the school at both the State Revenue Office and the Australian Securities and Investments Commission .	
20.3.1.11	Close the HYIA and transfer balances to the School Council Official account.	

Sequence Numbers	Information
20.3.1.12	Complete appropriate bank forms for changing signatories to the school council official account. These forms are to be completed by the Regional Finance Officer of the school.
20.3.1.13	All funds unexpended after the payment of all outstanding accounts shall be dispersed by the regional director in the following priority: <ul style="list-style-type: none"> to the department for the repayment of any SRP debt that may exist; to government schools receiving the students from the closed school.
20.3.1.14	Check the balance of the ATO Running Balance account through the ATO's Business Portal . If the balance is not zero, take appropriate action to reconcile the balance.
20.3.1.15	Cancel ABN. The Schools Financial Management Support team will assist with this process. Email: schools.finance.support@edumail.vic.gov.au
20.3.1.16	Close bank accounts. The Schools Financial Management Support team will assist with this process. Email: schools.finance.support@edumail.vic.gov.au

20.4 School Merging

A school merger involves the closure of individual schools and the opening of a new merged entity.

When schools are to merge, a School Finance Liaison Officer (SFLO) will be assigned to assist the principals and business managers with the financial merger of the schools.

20.4.1 Mandatory policy (Must do) for schools closing as part of the merger

Sequence Numbers	Information
20.4.1.2	Undertake a stocktake of assets.
20.4.1.3	Convene a Board of Survey to: <ul style="list-style-type: none"> identify obsolete or unserviceable equipment; recommend a course of disposal action to school council, for example, transfer items to the new merged entity, relocating items to a neighbouring school, sale of duplicate items, etc.;

Sequence Numbers	Information
	<ul style="list-style-type: none"> in the case of asset sales, advertise locally that the asset is available for purchase and request bids from interested parties; arrange for any proceeds of sale to be paid into the school council official account.
20.4.1.4	Enter the disposal of assets into CASES21.
20.4.1.5	Close off school level payroll.
20.4.1.6	All current contracts need to be reviewed and cancelled or moved to the new merged entity. This includes, but is not limited to, leasing arrangements and cleaning contracts as well as any direct debit arrangements.
20.4.1.7	Ensure all outstanding accounts have been reviewed and either paid or adjusted.
20.4.1.8	Write off all uncollected family and sundry debtor debts.
20.4.1.9	Collect and cancel any school purchasing cards.
20.4.1.10	Conduct a search for unclaimed monies in the name of the school at both the State Revenue Office and the Australian Securities and Investments Commission .
20.4.1.11	Close the HYIA and transfer balances to the School Council Official account.
20.4.1.12	Complete appropriate bank forms for changing signatories to the school council official account.
20.4.1.13	Cancel ABN. The Schools Financial Management Support team will assist with this process. Email: schools.finance.support@edumail.vic.gov.au
20.4.1.14	Check the balance of the ATO Running Balance account through the ATO's Business Portal . If the balance is not zero, take appropriate action to reconcile the balance.
20.4.1.15	Transfer funds to the new school.
20.4.1.16	Close bank accounts. The Schools Financial Management Support team will assist with this process. Email: schools.finance.support@edumail.vic.gov.au

20.4.2 Mandatory policy (Must do) for the new school (new school number) created from the merger

Sequence Numbers	Information
20.4.2.2	The school is required to open a High Yield Investment account with Westpac Bank and an Official account for transactional purposes at the financial institution of their choice. The SFLO will assist with this process.
20.4.2.3	Liaise with the local school systems training team to have CASES21 set up for the school.
20.4.2.4	Enter transferred data from old schools into CASES21.

20.5 School name change

A school name change can result from a merger where a new school number is not issued and one of the existing school numbers is retained, or through some other reorganisational change.

20.5.1 Mandatory policy (Must do):

Sequence Numbers	Information
20.5.1.2	Contact the Schools Financial Management Support team. Email schools.finance.support@edumail.vic.gov.au for assistance with changing the name of the school's High Yield Investment account with Westpac Bank and any other bank accounts held by the school council.
20.5.1.3	Liaise with the local school systems training team to have CASES21 reconfigured with the new name for the school.

Legislative requirements

Legislation

The advice in this section was based on requirements outlined in the following legislation:

- *Education and Training Reform Act 2006* – Part 2.3 – Government School Councils.
- *Education and Training Regulations 2017* – Part 4 – Government School Councils and Parents Clubs.

Definitions

ATO Running Balance account	Online record of the school's transactions (debits and credits) with the ATO.
ABN	Australian Business Number – Unique identifying number, which indicates that, a school is registered and listed on the Australian Business Register. A school can only obtain an ABN through Department, as ATO requires proof of identity for schools from Department.
AUSkey	AUSkey is the ATO's electronic commerce system and is the only way a school can lodge its BAS online via the ATOs Business Portal. An AUSkey is specific to a school ABN, to an individual, and to that individual's computer. It is recommended that a school try to maintain 2 valid, up-to-date AUSkeys.
Board of Survey	Group convened to provide advice on status of assets. In the normal course of events, the board will consist of the principal, a school council representative and a third nominee.
CASES21	CASES21 is the software component of CASES (Computerised Administrative System Environment in Schools) which is the package provided to Victorian Government schools to support school administration, finance and central reporting.
School purchasing card	A method of payment utilising a corporate charge card.
School Finance Liaison Officer (SFLO)	Departmental officer who provides financial management support to schools.

Additional resources

- [Money Smart – ASIC unclaimed monies](#)
- [School financial management resources](#)
- [State Revenue Office – Unclaimed monies](#)

Version and revision control record

Date	Version	Approver	Next Review
01/2020	1.3	Chief Finance Officer - Financial Services Division	01/2021