# GUIDE TO SCHOOL COUNCIL FINANCE MOTIONS

V2.2 July 2022

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Introduction

Under the *Education and Training Reform Act 2006* (The Act), a School Council has specific functions in setting and monitoring the school's direction. The Act lists School Council’s objectives as being to:

* assist in the efficient governance of the school
* ensure that its decisions affecting students of the school are made having regard, as a primary consideration, to the best interests of the students
* enhance the educational opportunities of the students of the school
* ensure the school and the council comply with any requirements of the Act, the regulations, a Ministerial Order or a direction, guideline or policy issued under the Act

School Council has a responsibility for overseeing the school’s financial performance. It is a legal and Departmental requirement that school council makes sure that monies coming into the school are being properly expended and authorised. To ensure this happens, councils are responsible for ensuring that the school has a functioning, effective system of internal controls.

A well informed and effective School Council strengthens community confidence in the school and helps to protect and build the school’s reputation. The motions following will assist School Council to ensure that the reporting to and decisions of School Council are clearly recorded and documented.

Meeting and Reporting Requirements

**Hints on recommended motions**

* keep them simple and restricted to one point
* must contain a clear statement of action
* be careful with the wording- motions are a binding decision once passed
* should include a dollar value if its pertinent to the decision
* any motion must be ‘moved’ and ‘seconded’ and carried by the majority
* AVOID directly quoting individuals
* DON’T include unsubstantiated or subjective information or opinions.

Where a school has a Finance Committee this Committee makes recommendations to the School Council.

The School Council should include the recommendation in the body of the motion to ensure clarity for future reference. Motions with “recommendation is accepted” need to be avoided as information such as the Finance Committee Reports are not always provided with the School Council minutes.

If a School does not have a Finance Committee, then all the reports and information need to go to the School Council itself.

**Please note:**

These are sample motions. Each school will have individual requirements and specific needs when dealing with each of these examples. Please adapt the motion to suit your school, remember the points made at the beginning of this document and record information clearly, accurately and without ambiguity.

Recommended Annual Motions

**Prior to the commencement of the school year**

* endorse and approve the school’s request for contributions for the year (Parent Payments)
* endorse the Indicative cash budget
* permission to write-off charges
* written off charges (once completed)

**At the first meeting of the year (but not limited to):**

* table, sign and approve end-of-year financial reports including Financial Commitment Summary
* approve any amendments to the indicative school cash budget for the New Year after the confirmed Student Resource Package (SRP) budget has been released
* endorse the Confirmed cash budget
* Cash Flow Budget approved for the year
* CASES21 Balance Day Adjustments
* minute the profit and loss statement for trading operations (e.g., canteen) from prior year
* overview of OSHC (Outside School Hours Care Program), Profit and Loss (Bad debts, patronage, etc.)
* endorse the school purchasing card register (of card holders and card limits)
* endorse signatories to School Bank Accounts (HYIA, Official Account, Building and Library Accounts and Department approved Beneficial/Memorial Accounts)
* endorse the list of officers approved to sign official order forms and limits (purchase orders, invoices etc.)
* approve any proposed fundraising events for the year
* endorse proposed GST treatment of fundraising events
* endorse the treatment of GST from canteen/trading operations (e.g., input-taxed). (At the commencement of the trading operations or if changed from original motion)
* minute whether the subsidised funding of camps, excursions or activities are approved (See monthly)
* endorse the school cash handling policy
* endorse the school electronic funds management policy
* endorse the school purchasing card policy
* endorse the Petty Cash Policy (if required)
* OHSC and/or Kindergarten financial position (if operating under the school’s authority)
* hiring of school’s facility (if applicable)

| Prior to the commencement of the school year | | |
| --- | --- | --- |
| ITEM | DETAILS | ACTION |
| Parent Charges |  |  |
| Approve and table the next year annual charges for Parents  Finance Manual  2.2.1.4  9.5.1.1 | School Council and Principals set and approve parent payments. It allows School Council to be fully aware of the charges that parents are being asked to pay to the school. | Recommendation:  “That School Council set the charges for the 2XXX School Year as follows/ (or attached – could be a separate document).  *If this is the case, ensure that the relevant documentation is kept with the minutes for that month/meeting/year.*  Moved:  Seconded:  Accepted |
| Indicative Cash Budget |  |  |
| Finance Manual  6.2.1.2 | Transparency of revenue and expenditure for the School Council.  *Ensure budget is kept with the minutes to support the motion.*  *Ensure that the budget entered in to CASES21 reconciles with the budget approved by School Council.* | Recommendation:  “That School Council accept and endorse the indicative cash budget for XXXX School for 20XX.  Moved:  Seconded:  Accepted: |
| Permission to Write Off Charges | | |
| Permission to write off aged charges needs to be sought prior to doing so  Finance Manual  10.2.1.5 | School Councils need to approve any charges that are required to be written off. This can be done on a monthly, annual, or as required basis. For example – all outstanding charges older than 18 months are approved to be written off. All outstanding charges relating to the Grade 6 camp can now be approved to be written off. | Recommendation:  “That School Council approve the writing off of outstanding charges”  Moved:  Seconded:  Accepted: |
| Written Off Charges (once complete) | | |
| Old charges written off  Finance Manual  10.2.1.4 | Report to School Council the charges that are written off and the amounts written off. This will give School Council a clear transparency of collection rates and the financial level of supported activities.  Old charges must be reviewed regularly for fees that are unlikely to be received. This assists schools having up to date financial records. | Recommendation:  “That School Council approve the writing off the following charges and amounts  - XXXXXX – $amount  - XXXXXX - $amount  Moved:  Seconded:  Accepted: |

| At the first meeting of the year (but not limited to): | | |
| --- | --- | --- |
| ITEM | DETAILS | ACTION |
| End of Year Finance Reports | | |
| End of Year Financial Reports including Financial Commitment Summary  Finance Manual  2.2.1.4 | Reporting required to School Council to meet Audit requirements for transparency of financial status of the previous year. | Recommendation:  *“That School Council approve Financial Commitment Summary, Balance Sheet and Operating Statement for the previous year as presented.”*  Moved:  Seconded:  Accepted: |
| Confirmed Cash Budget | | |
| The Confirmed Cash Budget is required to be presented to School Council for approval  Finance Manual  2.2.1.4  6.2.1.4  6.2.1.7  12.2.1.6 | Transparency of revenue and expenditure for the School Council.  Confirmed cash budget should NOTE any changes from the draft budget and reasons for the change.  ***Also ensure budget is kept with the minutes to support the motion.***  **Ensure that the budget entered in to CASES21 reconciles with the budget approved by School Council.** | Recommendation:  “*That School Council accept and endorse the confirmed cash budget for XXXX School for 20XX. (Please note any changes from the draft budget and reasons why).*  Moved:  Seconded:  Accepted: |
| Cash Flow Budget | | |
| Develop a cash flow budget for the year  Financial Manual  6.2.1.9  8.2.1.2 | School Council need to be aware of cash flow requirements throughout the year. This is of even greater importance if schools are experiencing cash flow issues or are operating in a deficit position. | Recommendation:  *“That School Council accept and endorse the Cash Flow Budget as presented for the 20XX calendar year”*  Moved:  Seconded:  Accepted: |
| Balance Day Adjustments (BDA’s) | | |
| BDA’s for revenue received in advance and prepaid expenditure should be clearly reported to School Council  Finance Manual  2.3.1.2  14.2.1.6 | Reporting required to School Council to meet Audit requirements.  Both Journals (prior and post should be documented). | Recommendation:  “*That School Council accept the presented Balance Day Adjustment Journals pertaining to revenue received in advance and/or prepaid expenditure.”*  Moved:  Seconded:  Accepted: |

| ITEM | DETAILS | | ACTION |
| --- | --- | --- | --- |
| Trading Operations | | | |
| All trading operations within a school setting must be approved by School Council and minuted accordingly. A Profit and Loss Statement is required to be presented and accepted for Audit purposes  Finance Manual  2.2.1.4  12.2.1.1  12.2.1.4 | | Profit and Loss Statement will inform the School Council of the viability of any trading operations within the School. If trading results in a loss, then School Council will need to make an informed decision to support/subsidise that operation or terminate it. It is highly recommended that the price list is presented to School Council and approved. This assists in the assurance of any trading operation being financially viable. Budgets must be monitored and reviewed for trading operations. If a trading operation is outsourced, the School Council should contact Legal Services for the appropriate agreement. | Recommendation:  *“That School Council approve the XXX Trading Operation. School Council accept and endorse the Profit and Loss for the XXXX Trading Operation for the year ending XXXX. As noted, there was a profit/loss of $XX.* (If a loss has occurred please note School Councils’ acceptance of supporting the loss is required and if a profit is made please note how the profit will be spent).  Moved:  Seconded:  Accepted: |
| Signatories Authority | | | |
| Nominate and endorse signatories for all Bank Accounts  Finance Manual  2.2.1.4 | | Approve the signatories for all listed bank accounts. Also, ensure CASES21 reflects any changes of authorized signatories that have been approved by School Council. This will ensure that records and approved processes are always up to date and available if required.  Signatories to the bank accounts must be the Principal and a member of School Council, approved by School Council.  The Business Manager **must not** be a signatory to any school bank account. | Recommendation:  *“That School Council approve and endorse the following signatories for the listed bank accounts:*   1. *High Yield – 10001 – (Westpac)* 2. *XXX XXXX* 3. *YYY YYYY* 4. *Official Account – 10002 (CBA)* 5. *XXX XXXX* 6. *YYY YYYY*   Moved:  Seconded:  Accepted: |
| Approve the staff that can sign or approve purchase orders | | | |
| Nominate and endorse the staff that can approve purchase orders either written or systems generated  Finance Manual  2.2.1.4  11.2.1  11.3.1.2 | | List and approve all staff that may authorise purchase orders. This allows School Council clear transparency of who has this endorsed authority to purchase within the school. | Recommendation:  “*That School Council approve and endorse the following staff to sign and authorise purchasing of goods and services”*   1. *XXXXXX* 2. *XXXXXX”*   Moved:  Seconded:  Accepted: |

| ITEM | DETAILS | | ACTION |
| --- | --- | --- | --- |
| Approve proposed fundraising events and GST treatment for each event for the year. | | | |
| Approve any proposed fundraising for the year  Finance Manual  2.2.1.4  9.6.1.1  9.6.1.2 | | Fundraising and GST treatment for each event/activity should be approved by School Council on either an annual (if known) or monthly basis (as required). If funds are raised for a purpose, schools must use the funds for that purpose. | Recommendation:  “*That School Council approve the following fundraising event for the 20XX School year:*  *XXXXX - GST treatment Input Tax*  *XXXXX – GST treatment NPSE – no GST applicable to revenue or expenditure.”*  Moved:  Seconded:  Accepted: |
| GST Treatment for Trading Operations | | | |
| School Councils need to declare the GST treatment for all trading operations within the school  Finance Manual  12.2.1.3 | | Inform School Councils of the type of trading operation being undertaken and the GST treatment of each individual trading operation, e.g. canteen, uniform - if no motion then trading operation should be fully taxable. | Recommendation:  *That XXXX School Council approve the XXXX trading operation within the School to operate as an XXXX e.g. (Input Tax/NPSE operation).*  Moved:  Seconded:  Accepted: |
| Policies | | | |
| Approve all updated and new finance polices  Finance Manual  2.2.1.4 | | List and approve all required finance policies. This will vary depending on your school setting. **Some have been listed but it is not limited to these.** | Recommendation:  “*That School Council approve and endorse the following policy/policies:*   1. *XXXX*   Moved:  Seconded:  Accepted: |
| Hire of Facilities | | | |
| Report to School Council the hire of School facilities, cost per hour of hiring and agreements with hiring  Finance Manual  2.2.1.2 (maintain assets)  9.9.1.2 | | School Council should be informed and agree upon the hiring conditions of the School Facilities, the agreed amount for hiring and terms and conditions associated with the hiring process. Any activities that are undertaken for Not-for-Profit organizations must provide proof that they have $10 million Public Liability Insurance.  *Section 2.3.11 (1) and (2) of Education and Training Reform Act (ETRA)* provides that a school council can only allow others to use school buildings or grounds “for the purposes of educational, recreational, sporting or cultural activities for students, the local community or young persons” when the buildings or grounds are not required for ordinary school purposes.  Legal Services information regarding hire agreements refers to School Councils being authorised to hire and licence school facilities. The templates provided include the School Council President’s signature (refer to Legal Services). | Recommendation:  *“That School Council approve the hiring of XXXXX (facility) at a rate of $X per hour. Agreement of terms and conditions will be signed by all parties prior to the commencement of the hiring arrangement and insurance sighted and kept on file.”*  Moved:  Seconded:  Accepted: |

Recommended Monthly Motions

* finance Reports (as listed)
* bank Balances (Balance Sheet) – in the reports presented
* CASES21 Reports
* Bank Reconciliations (copies)
* student Resource Package - overall Student Resource Package position e.g., School Budget Management Report – first page only or in some other format (word document)
* purchasing Card statements (if the school uses purchase cards)
* budget – new revenue, review, adjustments and changes if needed, including new revenue not currently budgeted for (e.g., targeted funding)
* review aged debtors
* invoices (charges) written off if required during the year (see Annual)
* nominate/endorse signatories if changes to School Bank Accounts are required during the year (See Annual)
* new Creditors – Listing of Creditors who are being paid by Direct Deposit (best practice not mandatory)
* new employees (SCE – School Council Employees) (best practice not mandatory)
* profit and loss – For all Camps and Excursions either on a monthly (as you go basis) or annually if they require subsidising (See Annual)
* profit and loss – Fundraising. If collection is for an external organization (e.g., Daffodil Day) then a Profit and Loss statement is not necessary. This is because the revenue will be recorded against Charities and Collections – GL 74403 and expenditure will be recorded against Charities and Collections GL 89102
* finance Policies added or updated during the year (See Annual)

| ITEM | DETAILS | ACTION |
| --- | --- | --- |
| Finance Reports | | |
| Finance reports tabled at School Council  If a School has a Finance Committee, the School Council need only receive the Balance Sheet and Operating Statement (in blue)  All reports should be tabled at the School Council meeting  Finance Manual  2.2.1.4  2.3.1.2  2.4.1.2  2.5.1.2  4.3.1.2 | 1. Balance Sheet 2. Operating Statement 3. Cash Receipts 4. Cash Payments 5. Cancelled Receipts Report 6. Cancelled Payments Report 7. Journal Report 8. Cash Flow Statement 9. Bank Account Movement 10. Annual Sub Program Budget Report 11. Invoices Awaiting Payment 12. Family Credit Notes Report 13. Sundry Debtors Credit Notes Report 14. Bank Reconciliation for all bank accounts (copies) including any explanation of the variance if there is one. 15. SRP Budget Management Report – first page reporting surplus/deficit (or similar information) | Recommendation:  *“That School Council move $xxxx payments be endorsed, $xxxx transfers be ratified and all presented reports accepted as a true and correct depiction of the XXXXXX school finances for the “month of XXXX” 20XX”*  Moved:  Seconded:  Accepted: |
| School Purchasing Card | | |
| Purchasing Card statements  Finance Manual  2.2.1.4  11.7.1.2  11.7.1.9 | The following Purchasing Card statements for the month of XXXX 20XX have been tabled:  List cardholders:   1. xxxxxxxxxxxxx 2. xxxxxxxxxxxxx 3. xxxxxxxxxxxxx | Recommendation:  *“That School Council move all statements and payments as tabled for the School Purchase Cards be accepted”*  Moved:  Seconded:  Accepted: |
| Budget Changes | | |
| Review, adjust and make changes as required  Finance Manual  2.2.1.4  4.3.1.3  6.2.1.5 | Inform School Council of significant changes as the budget is reviewed and monitored during the year. Also, include additional unexpected revenue (targeted funding) or expenditure. | Recommendation:  *“That School Council approve the additional revenue/adjustment/note over/under expenditure due to xxx reason.*  Moved:  Seconded:  Accepted: |
| Profit and Loss | | |
| Camps and Excursions  Finance Manual  2.2.1.4  16.3.1.5 | Reporting required to School Council of financial outcome of Camps and Excursions. This costing analysis to be completed as they occur or on a cyclical basis. For further information on the Camps, Excursions and Activities that need School Council approval refer to the School Policy Advisory Guide. The treatment of Camps, Excursions and Activities may also have a budget impact and should be reflected accordingly. | Recommendation:  “*That School Council approve the Profit and Loss for Camps and Excursions as presented …… (please state here if the School is expecting to subsidise an activity)*  Moved:  Seconded:  Accepted: |
| Profit and Loss | | |
| Fundraising Activities.  Finance Manual  9.6 | Reporting required to School Council of financial outcome of any fundraising activities. This can be completed as they occur or on an annual basis. | Recommendation:  *“That School Council approve the Profit and Loss for XXX fundraising activity (also if the profit is targeted for any specific project)”*  Moved:  Seconded:  Accepted: |

| ITEM | DETAILS | ACTION |
| --- | --- | --- |
| Review Aged Debtors | | |
| Finance Manual  10.2.1.4 | Aged debtors must be reviewed on a regular basis to identify debt that is unlikely to be received. Report to School Council and discuss the appropriate action to be taken.  Refer to the following motions (pg. 5) to record action to be taken:   * Permission to Write off Charges * Written Off Charges (once completed) | Recommendation:  *“That School Council has reviewed the current aged debtors and endorses the following action to be taken, xxxx”*  Moved:  Seconded:  Accepted: |

Recommended As Required Motions

* Purchasing Card
  + Change in card limits
  + New Cards allocated under the School Purchasing Card Facility
  + Cancellation of existing cards
* Leasing Agreements
* Contracts
* Joint Use Agreements
* Stock-take of Assets (Biennial)
* Disposal of Assets
* Establishment of Petty Cash
* Outside Hours School Care (OSHC) Program (Trading Operation) and/or Kindergarten

| ITEM | DETAILS | ACTION |
| --- | --- | --- |
| Purchasing Card Changes | | |
| Inform, approve and endorse changes to purchasing cards held under the school purchasing card facility.  Finance Manual  2.2.1.4  11.7.1 | Inform School Council of any changes to the Purchasing Cards held within the School:   1. Change in limits 2. Cancellation of Cards 3. New Cards for Staff Member 4. Lost/Stolen or Replaced Cards   Fraudulent activity on cards that has been reported to the bank. | Recommendation:  *“That the School Council approve and endorse (whatever changes have occurred to the purchasing cards within the School).*  Moved:  Seconded:  Accepted: |
| Equipment Rental Agreement | | |
| The School Council may enter into an agreement to rent ICT or other equipment. They need to be fully aware of the financial commitment of any rental agreement and budget accordingly  Finance Manual  11.1  13.9 | Inform and seek Councils’ endorsement for any new rental agreements that the school enters in to.  Any agreement must be signed by the School Council President and the other participating party.  Contact Schools Procurement for further guidance.  [schools.procurement@edumail.vic.gov.au](mailto:schools.procurement@edumail.vic.gov.au) | Recommendation:  “*That the School Council sign and approve the rental agreement for XXX for the period of XXXX at a cost of XXXX.* If there are conditions include them in the motion*.”*  Moved:  Seconded:  Accepted: |
| Contracts | | |
| The School Council may enter into a Contract (e.g., Cleaning Contract). The School Council need to be fully aware of the financial commitment of any contract and budget accordingly  Finance Manual  11.1 | Inform and seek Councils’ endorsement for any contracts that the school enters in to.  Any Contract must be signed by the School Council President and the other participating party.  Use the templates provided by Legal Services. | Recommendation:  “*That the School Council sign and approve the contract for XXX for the period of XXXX at a cost of XXXX.* If there are conditions include them in the motion*.”*  Moved:  Seconded:  Accepted: |
| Joint Use Agreements | | |
| If the School Council engages in a Joint Use Agreement, they need to be fully aware of the financial commitment of the agreement | Inform and seek Councils’ endorsement for any joint use agreement that the school commits to.  Any Agreement must be signed by the School Council President and the other participating party.  Use the templates provided by Legal Services. | Recommendation:  “*That the School Council endorses the Joint Use Agreement between XXXX and XXXXX for the joint use of the gymnasium. This agreement is for a period of XXXX of years.”* If there are specific conditions within the Agreement minute for future use and clarity on the School Council obligations/liabilities.  Moved:  Seconded:  Accepted: |
| Biennial Stocktake | | |
| Schools are required to undertake a biennial stocktake  Finance Manual  2.2.1.2  4.3.1.5  13.7 | Inform School Council of completion of stocktake and any anomalies arising from the stocktake. | Recommendation:  *“School Council is informed that the biennial stocktake for the School has been completed. Anomalies are listed below*   1. *XXXXX* 2. *XXXXX*   *or/all stock as recorded was accounted for”*  Moved:  Seconded:  Accepted: |

| ITEM | | DETAILS | | ACTION |
| --- | --- | --- | --- | --- |
| Disposal of Assets | | | | |
| School council approval is required before the disposal of assets can proceed  Finance Manual  2.2.1.2  13.7  13.7.4.1  13.15 | Inform School Council of any asset disposal that is undertaken during the school year in a timely manner (this can be reported annually). | | Recommendation:  “*That the following assets have been disposed of for the following reasons:*   1. *XXXXX* 2. *XXXXX*   Moved:  Seconded:  Accepted: | |
| Establishment of Petty Cash | | | | |
| Petty Cash can be used for minor payments for school related purposes  Finance Manual 11.10.1.1 | School Council needs to approve and minute approval of the establishment of a petty cash advance.  A Petty Cash Policy approved by School Council is also required (refer annual motions). | | Recommendation:  *“That School Council approves the establishment of a $XXX petty cash advance facility. A limit of any one payment of $200 is mandated for this facility”.*  Moved:  Seconded:  Accepted: | |
| OHSC Program (Trading Operation) and/or Kindergarten | | | | |
| Reporting to School Council regarding the financial operation of OSHC/Kindergarten program if operated under the schools’ auspices  Finance Manual  2.2.1.4  12.1.1.4  12.2.1.1 | School Council are to be informed of the correct running of additional programs if operating under the school’s authority. | | Recommendation:  *“That School Council accepts and endorses the operation of XXX Program. A Profit and Loss Statement has been presented to School Council and financial position accepted.”*  Moved  Seconded:  Accepted: | |