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***South Otago Kindergartens***

**Financial Policy**

SECTION FOUR (BOARD)

**Financial Planning**

The South Otago Kindergarten Association Board has overall responsibility for the financial management of the Association but delegates the day-to-day management of the Associations finance and budget to the management team. The management team is responsible for recommending an annual operating and capital budget to the board within the timelines specified.

Budgeting shall not fail to reflect the annual plan, risk financial jeopardy nor fail to show a generally acceptable level of foresight. Thus the budget should not neglect to:

1. Reflect the results sought by the board
2. Reflect the priorities as established by the board
3. Comply with the board’s requirement of a balanced budget
4. Ensure adequate working capital
5. Demonstrate an appropriate degree of conservatism in all estimates

**Financial Condition**

The financial viability of the kindergartens must be protected at all times. The board understands that the possibility of theft or fraud cannot be entirely eliminated however the management team is required to show there are in place safeguards and robust, clear procedures to minimise the risk of either event. The management team shall not:

1. Incur unauthorised debt
2. Violate generally accepted accounting practices or principles
3. Use tagged funds for purposes other than those approved
4. Spend more funds than have been allocated in the fiscal year without Board approval
5. Fail to ensure all money owed to the kindergartens is collected in a timely manner
6. Fail to make timely payment to staff and other creditors
7. Sell or purchase unauthorised property
8. Fail in ensure that all relevant government returns are completed on time
9. Fail to ensure that no one person has complete authority over the association financial transactions.
10. Make any purchase:

* Without having obtained comparative prices and quality
* Without an adequate review on on-going costs, value and reliability
* Of over $500.00on a single item without first seeking board approval

**Procedures relating to this policy**

* Expected Payments
* Grants Application
* Gifts and Acknowledgment of Staff
* Allocation of Kindergarten Finances

**Adopted: Term 1 2021 Review Date: Term 4 2021**