



## Rationale

Diocese of Ballarat Catholic Education Limited (DOBCEL) Board is responsible for the effective management of school finances. As each Diocese of Ballarat Catholic school is a recipient of public (Australian and Victorian State government grants) and private monies (school fees, compulsory tuition charges, school building fund contributions, etc.), it is required to demonstrate that the funds have been correctly accounted for and used for the educational purposes intended. The DOBCEL Board oversees the financial compliance of all DOBCEL schools. The aim of this Policy is to:

- promote a high standard of financial and administrative governance, the process by which financial and administrative decisions are made and executed, in all DOBCEL Schools
- promote standard financial and administrative procedures in all DOBCEL Schools provide guidance and assistance to Principals and all personnel involved in the area of school financial and administrative management
- promote a culture of risk management and compliance within the finance and administrative functions in all DOBCEL Schools
- meet accountability requirements for the Australian Government Department of Education, Skills and Employment (DESE) and Victorian State government Departments of Education and Training (DET), the Australian Charities and Not-for-profits Commission (ACNC) and Victorian Registration and Qualifications Authority (VRQA).

Compliance with this Policy allows the DOBCEL Board to implement and maintain a high standard of financial and administrative governance, ensure an adequate system of internal control and comply with the requirements of applicable regulatory bodies.

Each DOBCEL School Principal has the responsibility to manage the school's own funds and to ensure that there is a budget that achieves a bank balance above the DOBCEL minimum balance at each reporting quarter listed in Appendix 3 of the DOBCEL School Financial Oversight Procedures.

## Policy

Full disclosure of all school receipts and payments is required by the DOBCEL Board, the Australian Government and Victorian State Government. Each DOBCEL School is treated as a separate non-profit sub-entity of DOBCEL to ensure transparency of funding and financial accountability. Income and expenditure are recorded independently for each school. Bank accounts are held separately for each school.

Each school will report as a DOBCEL sub-entity separately to the Australian Taxation Office (ATO) for Business Activity Statements (BAS) and Goods and Services Tax (GST), PAYG and Superannuation.

The DOBCEL School Financial Oversight Procedures outline the requirements for preparing school budgets, monitoring and reporting school finances to ensure accuracy and sound financial practices.

## Principles

DOBCEL is committed to compliance with all laws and DOBCEL Schools are provided with guidance and support to ensure that they are able to demonstrate compliance with all applicable laws.

**Transparency** and **accountability** in stewardship of resources.

Transparency demands timely and accurate disclosure/reporting concerning the performance, decision making and financial health of DOBCEL to all stakeholders.

Accountability refers to the obligation of DOBCEL to accept responsibility for its activities and to disclose the results. It also includes responsibility for money or other entrusted property.

These two principles converge in the social responsibility to care for persons, resources and our planet as precious and vital to life. **Responsible stewardship** is integral to the mission of the Church and is a fundamental tenet of the Church's spirituality. It entails a responsibility for service that aims to nurture a gift from another. Frequently understood in relation to care for our common home, the ideas fundamental to stewardship apply more broadly, involving the just and proper use of human and material resources through prudent management, wise investment and usage.<sup>1</sup>

## References

- *Australian Education Act 2013* <https://www.legislation.gov.au/Details/C2018C00012>
- Victorian Government financial assistance for non-government schools 2017 Guidelines
- Guidelines to the Minimum Standards and Other Requirements for Registration of Schools <https://www.vrqa.vic.gov.au/schools/Pages/standards-guidelines-requirements-for-schools.aspx>

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<sup>11</sup> See *The Light from the Southern Cross*, *op.cit.*, 3.2.4 p.28.



## School Financial Oversight Procedures

Reviewed: November 2019

Next Review: August 2022

### Overview

Diocese of Ballarat Catholic Education Limited (DOBCEL) is registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC).

DOBCEL Schools operate as GST non-profit sub-entities of DOBCEL. As a result, DOBCEL Schools:

- a) will operate under separate (existing) ABNs;
- b) will lodge their own individual BAS, PAYG and Superannuation;
- c) will remain part of the GST religious group of which each school and DOBCEL is a member;
- d) will operate their own bank accounts, separate from each other school and DOBCEL ;
- e) will not enter into a prohibited agreement or arrangement as defined in Regulation 5 of the Education Training and Reform Regulations 2017.

For ACNC purposes, DOBCEL will present consolidated accounts for all sub-entities from the year ending 31 December 2021. DOBCEL is a registered company with the Australian Charities and Not-for-profits Commission (ACNC) and as such have ongoing obligations to the ACNC, therefore not required to report annually to ASIC. As a registered charity any following changes will be made through ACNC with ASIC then being advised:

- a) Changes to the Constitution, or adoption or repeal of a constitution
- b) Copy of a constitution available on ACNC website.
- c) Notification of a change of their address details, including registered office address, principal place of business address or contact address.
- d) Notification of appointment, resignation or retirement of directors, secretaries and alternate directors or submit personal details of directors and secretaries.
- e) Submission of an Annual Information Statement.

The financial management of DOBCEL Schools is based on sound financial administration and business practices. DOBCEL Management will oversee the efficient and effective management of DOBCEL Schools' resources through targeted support by DOBCEL Business Managers. The key functions of DOBCEL Business Managers are to oversee schools in the preparation and monitoring of budgets, preparation of the five year financial plan and completing the Annual Financial Statement (AFS).

## **Roles and Responsibility**

The roles and responsibilities for supervision of school financial management is overseen by the Principal at each school. School bank accounts are operated by the Principal in accordance with the DOBCEL Instrument of Delegations.

## **Cash Reserves**

DOBCEL Schools must have an operating cash reserve to protect against unforeseen events such as a delay in grant payments or unbudgeted expenses. The minimum bank balance is equivalent to 10% of recurrent income and the maximum is equivalent to 20% of recurrent income, based on the recurrent income recorded in the prior year AFS. DOBCEL Schools' reserves must be within this range. The purpose of a maximum cash reserve is to ensure that funding received is expended on the current student cohort. DOBCEL Schools with accumulated reserves in excess of the maximum must be able to demonstrate appropriate spending initiatives that account for the excess reserves. If the balance falls below the minimum level, the Principal and the DOBCEL Business Manager will implement a financial improvement plan before the next reporting quarter. The Education Consultant and Assistant Director: Business Services (Chief Finance Officer) will be notified and have a copy of the plan submitted before the end of the next reporting quarter.

## **Budget Preparation**

In Term 3 each year, the DOBCEL Business Managers develop a forecast outcome and budget spreadsheet. The Business Managers work with all primary schools to finalise the requirements of the spreadsheet for the completion of their budget. The process for school budget development is outlined in **Appendix 1**. Secondary Colleges will be provided with a draft Grants Allocation Committee (Secondary) GAC(S) School Budget Worksheet to assist with the preparation of their budget.

It is a DOBCEL requirement that school budgets would in normal circumstances be a balanced/surplus budget, aiming to achieve an end of year bank balance within the DOBCEL Board minimum and maximum range. DOBCEL Audit, Risk and Finance Standing Committee (ARFSC) will review all budgets and the DOBCEL Board will approve. The DOBCEL Board will not approve (except in extraordinary circumstances) a deficit budget unless there are sufficient cash reserves to avoid placing the school at financial risk.

## **Deficit Budget**

In the event of a deficit budget the DOBCEL Business Managers will report to the DOBCEL Manager: Finance & Accountability and the Education Consultant in a timely manner. The DOBCEL Business Manager will develop a financial management improvement plan by the end of the next reporting quarter in consultation with the Education Consultant and the school leadership team. Deficit budgets will be submitted to the DOBCEL Board for written approval. The 'Approved Deficit Budget' letter will be forwarded to the school before the end of Term 4 of the prior year.

## **Financial Procedures**

All DOBCEL Schools use the accrual method of accounting. This records income items when they are earned and expense items when they are incurred. For example, when a school invoices fees, a corresponding amount will appear as a debtor in the school's books, even though no money has been received.

Similarly, amounts owed by the school to suppliers for work undertaken or owed to the bank for loans drawn will be shown as they are incurred, even though they may not be paid until a later date.

The following accountability requirements are necessary to ensure continued government funding:

- a) only school transactions are to pass through school accounts;
- b) school monies are not to be banked in non-school bank accounts;
- c) all payments relating to school expenditure are to be paid through school accounts;
- d) only school staff performing duties specific to the operations of the school are to be included on the school payroll;
- e) schools are to operate on a not-for-profit basis.

**Appendix 2: School Financial Procedures** provides DOBCEL Schools with a set of procedures to be completed at regular intervals throughout the year in order to ensure accounting records are kept accurate and up to date.

### **Annual Financial Statement**

The Annual Financial Statement (AFS) is the major financial accountability instrument of the school for the year ending 31 December. This document is audited and forms the basis of reports to both Commonwealth and State Government.

Information recorded for ACNC reporting and on the DESE Financial Questionnaire is taken from the AFS.

The DOBCEL Business Managers meet with each school annually as part of the AFS and school audit program. During this visit, grants recorded in the AFS are checked to ensure they are correctly allocated in accordance with the CECV Grant Distribution Disbursement Schedule and to guarantee the accuracy of end of year transactions

### **Five Year Financial Projections**

All DOBCEL Schools must have a Five-Year Finance Business Plan. In conjunction with the AFS school visit, the DOBCEL Business Manager works in partnership with the School Finance Officer and Principal to update the previous year's five year forecast with data from the current AFS. Projected enrolments are estimated, and any future capital /maintenance works for the next five years are included. The five year plan will ensure that cash reserves are within minimum and maximum levels.

### **External School Financial Audits**

An external financial audit is conducted to meet the requirements of the DESE, ACNC, CECV and DOBCEL to confirm accuracy of financial reports submitted to local and external authorities. Auditors are engaged by DOBCEL Board to undertake the annual audit of all DOBCEL Schools in accordance with the annual Audit Strategy. This strategy has been prepared to communicate a planned approach to the audit of the AFS for each school.

### **Audit Management Letters**

As part of the external financial audit, the auditors are required to send an Independent Auditor Report and Audit Management Letter to the Principal and DOBCEL Board and Audit, Risk and Finance Standing Committee (ARFSC).

Any issues raised from the audit are followed up by the DOBCEL Business Manager and, if critical issues need to be addressed, the Education Consultant and DOBCEL Assistant Director: Business Services (Chief Finance Officer) form part of this discussion in partnership with the Principal and School Finance Officer. DOBCEL Board and the ARFSC will be notified in a timely manner of outstanding issues regarding Audit Management Letters.

### **Monitoring of Audit Management Letters**

The Auditors meet with and report to the ARFSC to inform of any high-risk issues in individual schools and risks or issues that are common across several schools. This allows the ARFSC to:

1. monitor progress as schools attend to the issues
2. identify schools where DOBCEL Management should provide additional support or intervention
3. identify training needs or performance issues for school personnel
4. escalate high risks to the DOBCEL Board.

The Audit Report is presented to the ARFSC and to the DOBCEL Board.

### **School Visits**

To achieve consistency, a term meeting record is completed during or after each school meeting by the DOBCEL Business Managers. The school visit will include the DOBCEL Business Manager, Principal and the School Finance Officer to assist with any and all financial business management functions including financial accuracy of financial functions and transactions and support to the School Finance Officer and Principal.

- All primary schools are met with at least once per term
- Schools with new Principals and or new School Finance Officers are met with more frequently as necessary
- Schools with a new Principal or School Finance Officer will participate in an induction program run by the DOBCEL Business Managers.

### **Periodic Reporting**

For the monitoring of school financial performance, a quarterly financial report which will be produced consisting of the following sections listed below. This report will be presented to the DOBCEL Board and ARFSC. The reporting timeline is outlined in **Appendix 3**. Schools are also required to forward the following quarterly reports to the DOBCEL Business Managers at the end of each quarter:

- Profit & Loss Statement
- Balance Sheet
- Bank Reconciliation
- Debtor Report

Following review of the above reports, if a potential issue is identified, the DOBCEL Business Managers will notify the DOBCEL Manager: Finance & Accountability to be escalated to the DOBCEL Assistant Director: Business Services (Chief Finance Officer) in a timely manner. The ARFSC and the DOBCEL Board will be informed as soon as possible.

## **Escalation Protocol**

During the Term meeting and/or on review of the quarterly reports, DOBCEL Business Managers will assess and identify any breaches to the DOBCEL Instrument of Delegations and assist school personnel in meeting all obligations as to assist with mitigating risk. Where the DOBCEL Business Manager identifies an issue or area of risk that has not been addressed adequately, the Executive Director and the DOBCEL Assistant Director: Business Services (Chief Finance Officer) will be notified in writing by the DOBCEL Manager: Finance & Accountability, so that the appropriate action can be taken or intervention made. If the concern is not able to be rectified, the matter will be raised with the ARFSC and DOBCEL Board.



## School Financial Oversight Procedures Appendix 1 – School Budget Development

Reviewed: November 2019

Next Review: August 2022

The budget is a key document, representing the educational objectives of the school in monetary terms. Vital parts of the budget process are the development and monitoring of the budget; reviewing, planning and controlling (recurrent, curriculum and capital); managing income, expenditure and cash flow.

The budget should be the financial representation of the school's development plan and should be informed by:

- a) the school's vision and/or mission statement
- b) the school's development plan, including:
  - i a three to five-year curriculum plan;
  - ii a rolling maintenance plan;
  - iii essential services obligations
  - iv a capital expenditure master plan.

When preparing the budget, important decisions will need to be made concerning the availability of resources and the application of these resources amongst competing needs.

The involvement of representatives from the school community and the full involvement of teaching and non-teaching staff are crucial features of the budget process. Budgets should not be prepared without consultation between the Principal, Education Consultant and Business Manager.

### **Budgeting Principles**

The annual budget process should commence prior to the conclusion of third term. Schools need to consider the overall cost of the educational program to be offered in the upcoming school year. The school fees and charges should be circulated to parents as soon as possible.

Before the end of Term 3 DOBCEL Management will forward to Principals a Schools Budget Details circular (Budget Document). This circular contains funding data in respect to the new school year and is a means by which individual schools may assess their financial situation and begin finalising their budgets.

Initially, budgets are prepared for each area of the school. After reviewing each area budget, the overall budget for the school year is prepared. A budget should be prepared to cover recurrent and capital income and expenditure.

The overall school budget should not produce a deficit result unless sufficient uncommitted cash reserves are held. The cash balance at the end of the year must be at least equal to any government



grants that have been forward funded (committed) to the school. The cash balance if exceeding limits can be used to cover a deficit budget.

The finalised school budget will be reviewed by ARFSC and approved by the DOBCEL Board. The approved budget is the source of information used to complete the budget section of the AFS.

The timing of the budget's preparation will be such that sufficient notice is provided to parents regarding school fee increases determined as part of the budget process.

Schools are required to use zero-based budgeting.

### **Zero-based Budgeting**

Zero-based budgeting is a planning and management process which assists in the production of a cost-effective budget. Zero-based budgeting can also be termed 'justification budgeting' where all budgets are justified according to needs-based criteria. In zero-based budgeting:

- a) every line item of the budget, rather than only the changes, must be approved
- b) the budget request must be re-evaluated thoroughly, starting from the zero-base. This involves preparation of a fresh budget every year from a zero base, without reference to the past year's budget
- c) the process is independent of whether the total budget or specific line items are increasing or decreasing.

The zero-based budget process requires those preparing the budget to:

- a) identify priority areas for allocation of funds
- b) determine objectives for those areas
- c) identify available income sources to fund objectives
- d) identify and assess alternative approaches for achieving those objectives
- e) rank budget requests in order of priority
- f) determine the appropriate level of funds for each priority area based on expected available income.

The use of zero-based budgeting in the annual budget process will:

- a) assist in imposing greater rationality
- b) provide a logical means of allocating resources between competing requests, based on the school's priorities
- c) assist in identifying inefficiencies and necessary improvements
- d) increase participation in the process by all staff
- e) aid in communicating priorities and objectives to the school community.

The implementation of zero-based budgeting in the school environment should include the following steps:

- a) defining how budget proposals need to be prepared
- b) preparing the budget proposal
- c) reviewing and ranking the proposals in order of priority
- d) deciding on the spending level and finalising the budget
- e) communicating the budget to the school community
- f) tracking the school's performance against the budget.

## **Recurrent Budget**

The major sources of recurrent income for schools are:

- a) the Australian Government General Recurrent Grant;
- b) the State Recurrent Grant;
- c) other targeted program grants;
- d) school fees and levies;
- e) other private income.

Aside from grants, the balance of income required to meet recurrent expenditure is to be provided from private income, of which school fees are the major source. Fundraising, donations and interest income are some other means of generating private income.

When setting fee levels careful consideration should be given to those families who are unable to pay either the full fee or a partial fee. The actual fee set should be adjusted to enable the school's private income level to be maintained, notwithstanding any fee write-offs, discounts, rebates and exemptions. In addition, the school's history of fee collection and fee structure (fee per child, number of children or family) should be reviewed at this time.

The Diocese of Ballarat Catholic Schools Budget Details circular, (Budget Document) provides the base data for finalising budget estimates of government grant income. While this document should be used to budget for government grant income, actual grant payments may differ from what is estimated in this document.

After final estimation of the Australian Government General Recurrent Grant, the State Recurrent Grant and other targeted grant income, the school's recurrent budget can be completed.

If significant building maintenance expenditure (AFS account 2015) and/or gardens and grounds maintenance expenditure (AFS account, 2025) are budgeted, the school should prepare a structured medium term (three (3) year) maintenance plan. All schools should have a maintenance plan as part of their master plan.

The finalised recurrent budget will be approved by the ARFSC and DOBCEL Board.

## **Capital Budget**

The capital budget should be based on the school's long-term development and master plans and consideration of the school's needs with regard to buildings, capital equipment, computer technology and commitments to repay the principal of capital loans.

Sources of capital funds include long-term loans, specific government capital grants, approved supplementary capital fund contributions, transfers from school building funds, contributions from parents and friends' associations and fees for capital purposes. Recurrent government grants are not a source of capital funds.

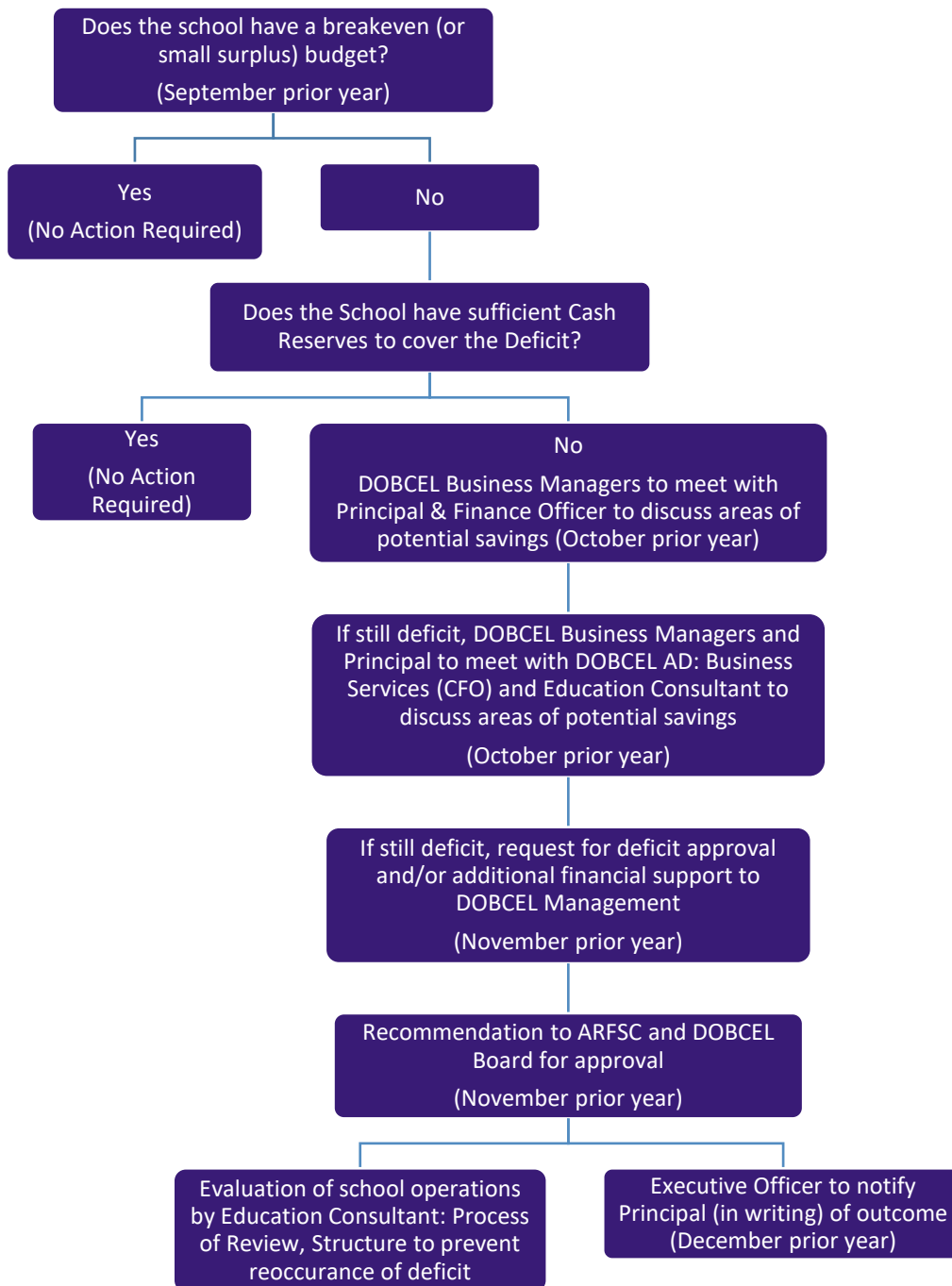
Separate capital fees can be raised by:

- a) a separate charge for each year level;
- b) a common charge averaged across the whole school by pupil or family;
- c) an additional amount added to recurrent fees (with a portion journalised to capital fees prior to the end of the school financial year).

If significant capital expenditure is budgeted, the sources of income for that expenditure should be identified and included in the budget.

The finalised capital account budget will be approved by the ARFSC and DOBCEL Board.

### DOBCEL School Deficit Budget Flowchart





## School Financial Oversight Procedures Appendix 2 -Financial Procedures

Reviewed: November 2019

Next Review: August 2022

The procedures set out in this section will assist schools to be in a sound position to manage their financial affairs and reduce the pressure they may face at the end of the financial year. Following these procedures will assist schools by ensuring:

- a better match of revenue and expenses in a reporting period
- improved financial management procedures in school management reporting
- improved analysis of financial data allowing schools to operate with less financial and operational risk
- the school is better placed to respond to future challenges and opportunities
- the school meets its ACNC reporting requirements.

Tasks necessary to prepare financial statements must be performed on a regular basis. Regular reviews (monthly) of financial reports such as income and expenditure statements, balance sheet and cashflow statements in comparison with budgets are highly recommended for schools to be fully abreast of relevant financial information. Waiting until the end of the financial year or end of the school term will likely put School Finance Officers under unnecessary pressure and may reduce the quality of financial data and therefore its usefulness to the school's decision-making processes.

The capacity for accounting packages to produce monthly financial reports assists schools to compare actual figures to budget figures and allows them to make informed decisions regarding future expenditure.

Amendments to budget figures (known as revised forecasts) should be made at regular intervals throughout the school financial year, to reflect changing conditions. Revision of expected cash receipts and cash payments is important to ensure the budget reflects current available information.

### **Ongoing Procedures**

All financial transactions should be entered promptly and with accurate transaction dates. Creditor invoices should be entered into the creditors' ledger and school fees invoiced promptly. All school fee receipts should continue to be receipted as soon as practicable. Best practice is to close month end by the 7th working day of the month. The BAS lodgement can be completed after the month end closure of the General Ledger. This will ensure that discrepancies between the BAS lodged with the ATO and the BAS report within the school's accounting system are limited. All new transactions for the BAS must be dated and processed in the following month.

Reporting is on an accrual basis and therefore requires the presentation of a school balance sheet, it is important for DOBCEL Schools to ensure that eligible capital purchases (> \$5,000) are entered into the Asset Register at the time of purchase.

Associated details including assigning an asset class to allow for the calculation of depreciation will also be required to be entered when recording assets in the Asset Register.

### **Monthly Procedures**

Best practice for month end accrual accounting is to have all income and expenses recorded in the General Ledger and subsidiary ledgers closed by the 7th working day of the following month. All other items from reconciliations are corrected in the next month and not prior dated. All school bank accounts are to be reconciled and all cash on hand is to be correctly recorded in the general ledger including, but not limited to, cash at bank, term deposits and petty cash floats.

The debtors' ledger is to be reconciled with the debtors' ageing report, ensuring that the total debtors balance per the general ledger reconciles with the debtors ageing report and any variances are followed up. Completed and signed copies of reconciliations are to be retained for future reference. The debtors' ledger is a subsidiary ledger. The reconciliation process for this account is between the debtor's balance in the general ledger and the debtors' ageing report which is produced from the debtors' subsidiary ledger.

Under an accrual framework, families are billed for school fees and any outstanding fees are captured and reported via the debtors' ledger. However, this does not preclude schools from preparing their own fee and levy reconciliation to gain comfort over the completeness of fees charged to parents.

The School Finance Officer will reconcile creditors' ledger with creditors ageing report, ensuring that the total creditors balance per the general ledger reconciles with the creditors ageing report and follow-up any variances. Once completed and signed, copies of reconciliations are retained for future reference. The creditors' ledger is a subsidiary ledger. The reconciliation process for this account is between the creditors' balance in the general ledger and the creditors' ageing report which is produced from the creditors' subsidiary ledger.

The School Finance Officer will reconcile fixed asset ledger codes to the Fixed Assets Register. They will ensure that the totals of the general ledger capital account codes reconcile with the total original cost of assets listed on the school's Fixed Assets Register by asset class and in total. Reconciliation between the general ledger and Fixed Assets Register is required prior to calculating depreciation. All individual assets and groups of assets with a purchase value greater than \$5,000 are required to be recognised as a capital acquisition in the school's Fixed Assets Register. Purchases of low-cost capital items less than \$5,000 are required to be allocated to AFS code 2070 Minor Capital (< \$5,000) and are not required to be recorded in the Fixed Assets Register.

The School Finance Officer will complete a reconciliation of appropriate GST accounts. Following the completion of the school's monthly bank reconciliation, ensuring that the figures for GST collected and GST paid as calculated in the system BAS/GST reports and are reconciled to the general ledger. DOBCEL Schools are required to report their BAS on an accrual basis to ensure their system generated reports align with BAS reporting requirements. When reporting the school's BAS to the ATO on an accrual basis, GST collected refers to GST included on debtor invoices raised in the period. GST paid refers to GST included on creditor invoices processed for the period.

### **Quarterly Procedures**

The School Finance Officer will reconcile outstanding school loan balances. They will ensure that the total value of each individual outstanding loan balance as per the school's general ledger, reconciles to loan statements received from the Catholic Development Fund.

## Year-End Procedures

An important concept of accrual accounting is balance-day adjustments, which are performed at year end. This section details a number of balance day adjustments that schools are required to perform on an annual basis in order to more accurately match expenses with revenue for the current reporting period or school year. The definition of 'significant' for DOBCEL schools in relation to balance day adjustments is established at \$1,000. The balance sheet is required to be adjusted at the end of the financial year for the transactions described below where the transaction(s) involved exceed \$1,000 on an individual basis or in aggregate for each group of transaction types.

**Calculation and posting of the school's annual depreciation expense for fixed assets:** Depreciation is required to be calculated by the School Finance Officer via the school's Fixed Assets Register for all fixed asset classes. Upon completion of the annual depreciation-run reconcile the original cost and accumulated depreciation accounts for each individual asset class in the general ledger to the Fixed Assets Register. Also complete a Fixed Asset Movement Schedule for each individual asset class reconciling the opening balance, additions, disposals and closing balance of the fixed assets.

**Provision for doubtful debts:** The School Finance Officer conducts a detailed review of each individual debtor balance to determine if the outstanding balance is considered collectible or uncollectible and why this is the case. The School Finance Officer will create or adjust existing doubtful debts provision as deemed necessary. Note: for audit purposes, it is deemed inappropriate for schools to base a provision for doubtful debts on a percentage of fee income or outstanding fees. Schools are therefore required to assess the collectability of each individual outstanding fee balance on a per debtor basis and adjust the provision as necessary.

**Unearned revenue:** The School Finance Officer makes appropriate adjustments in the school's general ledger for significant unearned revenue items including, but not limited to, prepaid fee income and fees billed in advance. The finance officer will ensure that these adjustment journals are appropriately reversed post year-end.

**Accrued revenue:** The School Finance Officer makes appropriate adjustments in the school's general ledger for significant accrued income items including, but not limited to, income from rental of school premises or interest income from term deposits, which have been earned by the school in the current school year but are yet to be received. The finance officer will ensure that these adjustment journals are appropriately reversed post year-end.

**Accrued expenses:** The School Finance Officer makes appropriate adjustments in the school's general ledger for significant accrued expenditure items including, but not limited to, accrued salaries and annual leave (Category A staff), FBT, GST received, superannuation guarantee contributions (SGC) and uncleared clearing accounts. Ensure that these adjustment journals are appropriately reversed post year end. **Note:** *that items including FBT, GST and other uncleared clearing accounts may already be included in the school's accounting system and reported on the balance sheet without an adjustment being required.*

**Prepaid expenses:** The School Finance Officer makes appropriate adjustments in the school's general ledger for significant prepaid expenditure items including, but not limited to, prepaid salaries and SGC, GST paid, WorkCover, rates and general insurance expenditure. The finance officer will ensure that these adjustment journals are appropriately reversed post year-end. Items including prepaid salaries, SGC and GST may already be included in the school's accounting system and reported on the balance sheet without an adjustment being required.

## DOBCEL BOARD AND ARFC

Reports	Timeline
Budget & Five Year Plan	November Prior Year
Annual Financial Statement	April/May
Loan Schedule (including comparative information)	April/May (and when making additional borrowings)
Movement in Cash Balances – past five years and current year budget (table and graph)	April/May
Profit & Loss Statement - YTD vs Budget/Forecast	As at end of March, June, September (for prior quarter)
Balance Sheet	As at end of March, June, September (for prior quarter)
Debtor Report	As at end of March, June, September (for prior quarter)



School Financial Oversight Procedures  
Appendix 3 – DOBCEL Board and ARFSC Financial Information

Reviewed: November 2019  
Next Review: August 2022

The school financial information and timeline that should be presented to DOBCEL Board and ARFSC meetings is outlined below:

Reports	Timeline
Budget & Five-Year Plan	November Prior Year
Annual Financial Statement	April/May
Loan Schedule (including comparative information)	April/May (and when making additional borrowings)
Movement in Cash Balances – past five years and current year budget (table and graph)	April/May
Profit & Loss Statement - YTD vs Budget/Forecast	As at end of March, June, September (for prior quarter)
Balance Sheet	As at end of March, June, September (for prior quarter)
Debtor Report	As at end of March, June, September (for prior quarter)