
Macleans College - POLICIES & DIRECTIVES

SECTION NO: 300	POLICY NO: 308	ISSUE DATE: 11/08/11
TITLE: FINANCIAL, ADMINISTRATIVE and PHYSICAL RESOURCES	ISSUE NO: 2	PAGE: 1 OF 4

Senior Management Credit Card Administration

RATIONALE:

Macleans College provides flexibility of purchasing of services and goods by the Principal and senior managers. In doing so it recognises that there is a duty of responsibility to ensure that expenditure of school funds by this method is transparent to Board, management and audit inspection. This policy sets out the processes by which this objective is achieved.

SIGNIFICANT ISSUES:

1 General expenditure by credit card:

In the course of normal activity in the local school environment, there will be various occasions when senior managers will find the use of credit cards the most effective way of purchase on behalf of the school.

These may include:

- Purchase of services or goods directly by the manager for school purposes.
- Purchase of items for other staff, particularly from overseas, where prepayment is required and the card is the most effective way of handling the transaction.
- Where school transport is not available, for purchase of fuel for a private car used on school business.
- Booking of airline travel either for travel in New Zealand or overseas travelling on school business.
- Payment of accommodation and other travel expenses either in New Zealand or overseas, travelling on school business.
- Entertainment expenses of an approved nature, which would depend on the position and responsibilities of the manager.

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2 **Essential management requirements:**

a **Strict Record Keeping**

It is required that the user of a credit card will keep records including the original GST invoices and receipts and card payment slips for all transactions, and attach these to the monthly card statement.

If the original is not available then written explanation of the deficiency is needed, and must be approved by the next level of management.

A form recording each transaction including date, merchant and description of the expense will be attached to the monthly credit card statement and once accepted, approved by the next level of management.

b **Overseas Travel**

Card holders must realise that expenditure on the credit card is part of the schedule of allowances laid out in the procedures for overseas travel. They need to be accounted for as an entry in the reconciliation sheet which the overseas traveller will complete and submit to the Accounts section through the appropriate checking manager. Note that normal delegations and approvals apply.

c **Justification of Over Expenditure**

If in some circumstances it is impossible to adhere to the schedule of daily allowances during overseas travel, it is necessary for the card holder to record the reason for this and endeavour to show that this was a practically unavoidable situation. In situations like this, the “actual and reasonable” alternative applies with a responsibility to act in accord with the “reasonable” portion. Such variations are required to be vetted by the next level of management.

d **Prescribed Allowances Determined on Card Holder Function**

It is recognised that necessary allowances will depend on the actual responsibilities to be carried during travel. For instance, a marketing manager may at times need to expend on hosting and entertainment in a way which other travellers do not. Such extra expenditure should be recorded and approved by the next level of management.

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e **Card Limits**

Necessary monthly expenditure limits will be set by the Principal in consideration of the reasonable needs of the manager concerned and the role being filled. The Principal should avoid assigning obviously unnecessarily high limits.

f **Financial Approval**

All payments made through credit cards are subject to the usual financial approval processes.

g **Travel Rates Schedule**

Attached as an appendix is the travel rates schedule referred to in 2b, above. This is referenced to public service rates, and is revised periodically in relation to currency changes and public service reviews of overseas accommodation costs.

h **Fuel Purchase Documentation**

Fuel purchases made through credit cards must be supported by adequate documentation including a log of distance travelled with reasons for travel.

i **Overseas and Domestic Travel Policy**

Policy on staff allowances for overseas and domestic travel to be cross referenced with this policy.

j **Credit Cards statements**

Must be verified each month by the next level of management. The Principal's credit card statement is to be verified monthly by the Board Chairperson or the Chairperson of the Finance Subcommittee.

COMMITMENT:

The Board of Trustees is aware that a reasonable credit card structure for senior managers is an important management tool, and requires that this structure be maintained in a way which provides assurance of transparent supervision and accountability, of a standard to satisfy public accounting and audit standards.

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APPROVAL:

When the Board approved this policy it agreed that no variations of this policy or amendments to it can be made except with the unanimous approval of the Board.

As part of its approval the Board requires the Principal to circulate this policy to all staff, and for a copy to be included in the School Policy Manual, copies of which shall be available to all staff.

The school policy manual shall also be made available to students and their parents on request. The Board requires that the Principal arrange for all new staff to be made familiar with this Policy and other policies approved by the Board.