**GUIDELINES FOR FINANCIAL MANAGEMENT**

MONTHLY ACCCOUNTS

Each month the Parents and Citizens Association (P&C) and its sub-committees are to provide to the general meeting of the P&C, an income and expenditure statement with a reconciled bank statement. An example of the format is given below.

**Income and Expenditure Statement for April 2013**

Income Fees 100.00

Donations 200.00

Sales 600.00

Total 900.00

Less Expenses Advertising 100.00

Repairs 50.00

Purchases 200.00

Total 350.00

Surplus/Deficit 550.00

Plus Opening Balance Bank a/c 750.00

BALANCE 1300.00\*

**Bank Reconciliation**

Closing Balance per bank statement 1500.00

Add unrepresented deposits 0.00

Less Unrepresented cheques 200.00

BALANCE 1300.00\*

(\* these amounts should balance)

ANNUAL ACCOUNTS

Each year the P&C and its sub-committees are to provide to the AGM, the full audited income and expenditure statement for the year, with a reconciled bank statement. The format will be same as for the monthly accounts (refer above).

AUDIT OF ACCOUNTS

All annual accounts and supporting documents are to be submitted to the auditor, so that they may be audited prior to being presented to the AGM. A copy of the audited accounts is submitted to the P&C Federation following the AGM.

APPROVAL OF EXPENDITURE

* Funds of the association may only be expended by the majority decision of a general meeting. A meeting may delegate authority to expend funds to a sub-committee or to a member
* Sub-committees with delegated authority must only incur expenditure that is consistent with the principal purpose as set out in its governing documents.
* Expenditure may only be incurred if there are sufficient funds for its payment
* The authority to draw cheques must ensure that 2 signatures are required. The principal of the school may not be a signatory on P&C accounts.
* No commitment shall be entered into for the expenditure of funds, prior to the appropriate approval of the Association
* In case of an emergency, then refer to RULES 11.3

ADMINISTRATION OF ACCOUNTS

* Funds of the P&C should be receipted and deposited within 2 business days (where feasible)
* When counting money from fundraising, do not count funds alone but ensure at least one other person is present to verify accuracy.
* Do not incur expenditure that has not been presented to a general meeting for approval or that are outside the delegations given to the sub-committees.
* The P&Cs ABN (86 932 544 140) should be used for all financial activities undertaken by the P&C.
* Any funds raised or handled by a sub-committee are legally funds of the association

PURCHASES FOR THE SCHOOOL

To purchase equipment/resources for the school the P&C should ask the school to order and pay for the item. The P&C then reimburses the school the cost of the item less GST (where GST is refundable to the school). The school cannot purchase items on behalf of the P&C that are for fundraising or for sale.

SALARIES

Honorariums are not recommended if it does not strictly relate to payment of out-of pocket expenses.

INSURANCE

Affiliation with the P&C Federation offers $5 million public liability cover. It does not cover Voluntary Workers Insurance, Cash and Other Losses Insurance. Special Building Insurance (where volunteers undertake a building project on behalf of the P&C) and Workers Compensation.

GOODS AND SERVICES TAX (GST)

A P&C must register for GST if turnover is more than $100,000.00. Turnover is calculated excluding canteen and fund raising monies

Canteen and fund raising are considered ínput taxed’ (i.e. we pay GST on acquisition and do not seek a refund). For this reason it is excluded from the calculation of turnover