

***Advanced
Financial Management***

***for Primary and Vocational Schools
(Level 1)***



***A course book designed by
School Management Programme Bougainville***

(A PROGRAMME OF THE CATHOLIC EDUCATION AGENCY,
SUPPORTED BY DKA CATHOLIC CHILDREN'S MOVEMENT AUSTRIA AND HORIZONT3000)



Foreword

Dear Head Teacher, Teacher in Charge, Chairperson, Treasurer and other BoM member!

We welcome you to our training guide as your companion during our one week course in Advanced Financial Management and as a self study and reference guide afterwards. Designed by SMPB this course particularly targets the large number of Primary and Vocational schools within the Autonomous Region of Bougainville.

SMPB stands for School Management Programme Bougainville. It first started in 2007 under the lead of Mr. Carsten Klink, a HORIZONT3000 development worker and Training Coordinator of SMPB and his local counterpart, Mr. Peter Kabui, Assistant Training Coordinator of SMPB. It is located at Wanbel-Haus in Arawa, Kieta District and shares the office facilities with Marist Project Sunkamap, another support Programme of the Catholic Education Agency Bougainville. Other catholic institutions such as Catholic Youth and the Sub-Office of the Catholic Education Agency are as well located at the catholic compound.

Wanbel-Haus, intended as an easily accessible and 'single stop over' resource and service center for, but not restricted to, teachers, head teachers and board of management members continuously enhanced and enlarged its range of educational services to the benefit of its visitors. It provides numerous services such as photocopying, printing, laminating, typing, access to and training for personal computers and recently launched its communication service providing prepaid cards for the Digicel and Telikom PNG networks.

Until July 2010 around 20 one week courses were conducted and almost all districts initially covered. When taking over the responsibility for SMPB we discovered that there were many new head teachers appointed within the last two years who did not attend one of our previous courses. We decided to extend our offer of 'level 1' courses and involve former, now experienced participants and inspectors to co-facilitate. Many of them are able to conduct and run their own in-services within their cluster, thus assisting new incoming head teachers, BoM members and especially their elementary schools, which still have a big demand and need and were not approached by SMPB so far. We further rely on proper handover-takeovers from outgoing to incoming head teachers and BoM-members responsibly carried out to pass on skills and knowledge acquired whilst serving the school.

Please make use of this training guide! Also don't hesitate to contact us and see us for advice in our office if you have further questions or a need for assistance at your school.

We are looking forward meeting you at Wanbel-Haus or at your school ground during one of our school visits and are happy to hear about any progress made by you regarding school financial management as a result of your participation in our course, study of this training guide and striving for personal development and your school's improvement!

Sincerely yours,

*Alexander Kaefer
Programme Advisor*

*Hubert Pinah
Assistant Training Coordinator*

(I) BASIC SYSTEMS

Aim: We want to ensure that the school's financial management is transparent in any way; and to reduce the workload of school leaders to follow budgets and compile financial reports.

Outcome: You are confident in using the Combined Cash Book (CCB), for recording, reporting, and preparing a new budget.
You understand which files have to be kept, and how.

Content: "Basic Systems" are the systems that have to be in place to enable schools to do a number of things:

- They show that the school is managed well and can be trusted by donors to use funds well.
- A good CCB is very useful for planning of budgets.
- Supporting documents like receipts, invoices, and deposit slips are proof of sound financial behaviour in the school and have to be filed neatly.
- Both CCB and filing enable head teachers to prepare reports with a minimum of effort and time.

Good accounting and record keeping is the beginning and the end of every school's financial management!

- Every financial transaction should be backed up by a 'supporting document', e.g. an invoice or receipt. This is the evidence that a specific transaction has taken place.
- Every transaction should be written down in the Combined Cashbook (CCB). A CCB is just a list of the money that the school has spent and received, together with a section on budget analysis. It can be kept on paper or on a computer.
- The "Budget Analysis Section" (or "Item Analysis") of the CCB sorts expenditure and incomes according to their budget item. It allows us a quick overview over the type of expenditure and income a school has.

Here we present a slightly modified version of the CCB, which is very helpful especially for remote schools that manage both cash funds and funds in the bank.

Activity 1: Building Professional School-Management

In school groups read Reading 1-1. Afterwards answer the following questions together, using the space on page 5.

1. First describe the TECHNIQUES your school uses to demonstrate professionalism to stakeholders from the Division, to donors, and to others?
2. Describe next the TECHNIQUES you think are missing.
3. Now describe how you think your school could improve the way it presents itself to others?

Activity 2: Record Keeping & CCB Exercise

The facilitators will hand out receipts and invoices ("supporting documents") that stand for payments that School Management Programme conducted during the month of November. Sort the documents according to their date, and enter them into the CCB template on page 10. Calculate the monthly "Totals" that state the exact amount spent/received under each budget item. The totals are needed for your reporting in a later exercise. You start with K500.00 cash, and K4, 000.00 in the bank account.

(You can read Reading 1-2 and 1-3 on pages 6+7 for clarification)

Reading 1-1: Fund-Raising: Building a Professional School Management

(This text draws partly from “Donor Funds Management – Course Book”, by Diwai Pacific)

Raising money for school projects is not an easy task. Many schools compete for the same funds (AusAid, BEDP, COEs, ...). Your school needs to demonstrate a professional approach to its work, in order to compete for the limited funds that are available. Funding agencies will want to know that your school is professionally managed, before supplying you with money to meet your school's objectives.

Remember: There are no short-cuts and quick-fixes for developing a professional school organization.

Organizational Development of your school is an ongoing process that includes four activities that are essential to fund-raising:

- creating a special identity for your organization (the Mission Statement and School Vision included in the SLIP, or a school logo are good examples)
- keeping a school file
- establishing your school's action plan (which again is part of the SLIP)
- establishing your school's fund raising plan

Keeping a School File

Why?

Your School File should contain a set of documents that show your school operates in a well-organized, compliant, and accountable manner. Your school file should demonstrate that your school can be relied upon to complete its undertakings. It should add weight to a Project Proposal.

How?

The headteacher (or under her guidance, the secretary) should take responsibility for keeping the school file up to date.

The school file should contain the following essential documents:

ORGANIZATIONAL DOCUMENTS

- School Learning Improvement Plan (SLIP) and Budget
- List of board of management members
- Land use agreement
- School census
- School Constitution and School Rules
- Bougainville Finance Policy (optional: School Finance and Stock Control Policy)
- _____

REGISTRATION DOCUMENTS

- School registration certificate

- Internal Revenue Commission (IRC) certificates

- _____

REPORTING DOCUMENTS

- All SMR-reports (monthly returns, budget analysis report, cash receipts and deposit statement, ...)
- SLIP review report
- Internal and external audit reports (it is good practice to conduct internal audits)

- _____

PROMOTIONAL DOCUMENTS

- letters of support from school stakeholders (church agency, Division, SO, DEO, ...)
- articles published in newspapers, pictures, ...

- _____

General Filing

Why?

Headteachers, treasurers and BOM come and go. Often no hand-over-take-over is made.

Transparency means: The headteacher keeps her files in a transparent way. She or her successors need to know how much money is available, which payments were done in the past, how much school fee from whom was collected in the past.

Good filing makes reporting easier. It also shows a professional management.

How?

The headteacher as the accountable officer should take the responsibility to keep her school's files in order. The following files should have a place in every headteacher's office shelf or even better in a lockable and fire resistant filing cabinet:

FINANCE FOLDER

- Receivable-Section (containing records of school fee payments, rentals, subsidy, and all other incomes, such as fundraising)
- Payable-Section (containing all original receipts, invoices, quotations)
- Bank Statements
- Bank Reconciliations

- _____

CORRESPONDENCE FOLDER

- Incoming Correspondence
- Outgoing Correspondence

- _____

Department of Education FOLDER

- _____

Division of Education FOLDER

- _____

Reading 1-2: Supporting Documents for Financial Transactions

Why?

Often enough headteachers and BOM are accused of misusing school funds. Receipts and payment vouchers proof that and how money was really used.

How?

Every financial transaction should be backed up by two 'supporting documents':

- a payment voucher signed by all signatories. This is the proof that this particular payment was authorized by all signatories.
- an invoice and/or receipt. This is the evidence that a specific transaction has taken place.

Supporting documents have to be kept for seven years. They should be neatly filed and numbered. The number of the receipt or supporting document will also be recorded in the CCB. Remember: future Headteachers and BoM members will need to rely on your filing.

Filing:

Supporting documents are typically glued to a piece of paper in the order of their occurrence. Keeping loose receipts in a box is not safe and therefore not acceptable. There should be one Arc File labeled "RECEIVABLES" for keeping supporting documents for funds received (school fee, subsidy, grants, teachers rent, etc), and one Arc File for "PAYABLES" (any kind of payment and expense).

Numbering:

All payables and receivables should be numbered with a "running number" to make it easy to find supporting documents to payments or incomes that were recorded in the CCB.

For example:

- All payment-receipts are filed together with the corresponding payment voucher.
- The first payment of the year is numbered with "p1", the second payment with "p2", and the fifty-sixth payment with "p56".

Payment Voucher		
Date: 30/March 2009	Voucher-Number: 21	
Amount requested (Kina):	<u>105.20</u>	
Details / Tok Klia: photocopy books "grammar skills" and "grade 3 book" (cash payment)		
Budget Item (name/number): 2.3 Photocopy/Stationary		
Approval for payment:		
<u>Kauona</u>	<u>Bikmeri</u>	<u>Oferan</u>
(head teacher)	(chairperson)	(treasurer)

The payment voucher and the receipt for the payment it authorized! Both should be filed together!

INVOICE / STATEMENT No. 086219	
PV 21	DATE: <u>31/03/09</u>
TO: <u>Nanawai Primary/Vocational</u>	
FROM: <u>SMPP</u>	ORDER No.:
<u>1 x GR 3 Long BK</u>	<u>44.60</u>
<u>2 x Grammar Skills</u>	<u>55.60</u>
<u>All Cash</u>	
	
TOTAL	<u>105.20</u>

Reading 1-3: Advanced Combined Cashbook

The CCB is the most important of your financial records. All schools should maintain a Combined Cash Book (CCB). The CCB is a cashbook that allows the schools to monitor and control their budget. The budget analysis side of the CCB has one column for each budget item.

All school income must be recorded in the Combined Cash Book, whether the school receives the amount directly or it is deposited into the school account at the Bank. All payments must be entered into the CCB as soon as they occur. Remember: Little and often is the secret of good bookkeeping!

The Combined Cash Book consists of two parts, the Cash Book Section and the Budget Analysis Section.

(i) Cash Book Section:

The Cash Book includes date, particulars (details of transaction), payment voucher number/deposit slip number, amount of receipts or payments and remaining balance.

The “advanced” system of CCB shows both cash transactions (in the CASH SECTION), and bank transactions (in the BANK SECTION).

DATE	PARTICULARS	REF.	CASH SECTION			BANK SECTION		
			IN	OUT	BALANCE	IN	OUT	BALANCE
	BBF				0.00			8,486.26
8/3	s/fee rec## 003-17	DS 5	3,452.00		3,452.00			
9/3	Cancelled cheque # 529	PV27						
11/3	Steamships-Timber chq#530	PV28					159.90	8,326.36
12/3	City Pharmacy-medicine chq#531	PV29					61.30	8,265.06
15/3	s/fee rec## 018-25	DS 6	535.00		3,987.00			
19/3	S/Fees Refund chq#532	PV30					100.00	8,165.06
23/3	Transfer cash to bank	Trans 2		3,987.00	0.00	3,987.00		12,152.06

(ii) Budget Analysis Section:

The Budget Analysis Section analyses your school's progress in following your budget. Every column in the Item Analysis Section represents one “item” of your school's budget! The Budget Analysis Section of the CCB will give a clear picture of where the money goes and where it comes from. It will assist the head teacher and the BoM treasurer in monitoring the progress of the school finances, on the base of their own SLIP (School Learning Improvement Plan). It provides the information needed for the required monthly and quarterly reports. And it provides the information needed to prepare next year's budget!

Sample Combined Cashbook with Cashbook-Section (left); and Budget-Analysis-Section (right)

Cashbook-Section						Budget-Analysis-Section (Item-Analysis)													
Date	Particulars	Reference-Number (Payment Voucher / Deposit Slip)	Bank Transactions			Receipts				Payments									
			Receipts	Payments	Balance	Fees	Subsidy	Projects	Others	Curriculum		Staff Develop.	Management Admin.		Infrastructure		Community Relationships		
										Books	Sports equipment and	Res. Materials	Workshops	General Admin.	Ground Maintenance	New Classroom with Water	Maintenance	Community Visits	
	BBF				560														
4/6	s/fee	DS5	1,000		1,560	1,000													
6/6	Correction from 4/5/07	DS5	-1,000		560	-1,000													
6/6	Re-enter s/fee 4/5/07	DS5	100		660	100													
12/6	bank chq to Buka Metal Fabricators (incl. K20 bank charge)	PV9		568	92								20				548		
	Total		100.00			100.00													

(iii) Correcting Errors in the CCB

Never use white-out when correcting errors. Just draw a single line with a ruler. Make all changes and entries in a transparent manner!

Sometimes it makes sense to raise a correction entry, for example if you mistakenly entered a wrong amount, or if a cheque your school received was dishonored by the bank. A correction entry reverses the effects of the original entry. Please look at the example above for clarification.

Combined Cashbook sample

Cashbook-Section									Budget-Analysis-Section (Item Analysis)																
									Receipts		Payments														
			Cash Transactions			Bank Transactions					SLIP FOCUS AREA			SLIP FOCUS AREA			SLIP FOCUS AREA			SLIP FOCUS AREA					
			In	Out	Balance	In	Out	Balance			Curriculum Dev'tment			Staff Dev'tment			Management and Admin.			Infrastruct. Dev'tment			School Governance and Community Relations		
Date	Particulars / Tok Save	Chq / DS							School fee																
	BBF				500			1,200																	
30/1	s/fee		1,500		2,000			1,200	1,500																
10/2	Transfer	D S 1		2,000	0	2,000		3,200																	
10/2	Withdraw	W 1	500		<u>500</u>		500	<u>2,700</u>																	
	TOTALS JAN/FEB		<u>2,000</u>	<u>2,000</u>		<u>2,000</u>	<u>500</u>		<u>1,500</u>																
	GRAND TOTAL							<u>3,200</u>																	

SMPB-FORM: Sample Combined Cashbook

Cashbook-Section						Budget Analysis Section																	
Date	Particulars / Tok Klia	Ref. Nr.	Cash Transactions			Bank Transactions			Receipts				Payments										
			In	Out	Balance	In	Out	Balance	School Fees	Subsidy	Rentals	Fund Raising	Student's Txt Books	Stationaries	Sporting Equipment	Inservice	SLIP Focus Areas			GOV'CE AND COMM. RELATIONS			
																General Administration	Petty Cash	Transport	New Teacher's House/Projects		Building Maintenance	Ground Maintenance	Awareness and Community Relations

SMPB-FORM: Sample Payment Vouchers:

<p style="text-align: center;">Payment Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount requested (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Budget Item (name/number): _____</p> <p>Approval for payment:</p> <p>_____ (head teacher) (chairperson) (treasurer)</p> <p>Amount returned: _____ Amount spent: _____</p>	<p style="text-align: center;">Payment Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount requested (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Budget Item (name/number): _____</p> <p>Approval for payment:</p> <p>_____ (head teacher) (chairperson) (treasurer)</p> <p>Amount returned: _____ Amount spent: _____</p>
<p style="text-align: center;">Payment Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount requested (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Budget Item (name/number): _____</p> <p>Approval for payment:</p> <p>_____ (head teacher) (chairperson) (treasurer)</p> <p>Amount returned: _____ Amount spent: _____</p>	<p style="text-align: center;">Payment Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount requested (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Budget Item (name/number): _____</p> <p>Approval for payment:</p> <p>_____ (head teacher) (chairperson) (treasurer)</p> <p>Amount returned: _____ Amount spent: _____</p>
<p style="text-align: center;">Payment Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount requested (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Budget Item (name/number): _____</p> <p>Approval for payment:</p> <p>_____ (head teacher) (chairperson) (treasurer)</p> <p>Amount returned: _____ Amount spent: _____</p>	<p style="text-align: center;">Payment Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount requested (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Budget Item (name/number): _____</p> <p>Approval for payment:</p> <p>_____ (head teacher) (chairperson) (treasurer)</p> <p>Amount returned: _____ Amount spent: _____</p>

SMPB-FORM: Sample Petty Cash Vouchers:

<p style="text-align: center;">Petty Cash Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount given (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <p>Approved By:</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Head Teacher</p>	<p style="text-align: center;">Petty Cash Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount given (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <p>Approved By:</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Head Teacher</p>
<p style="text-align: center;">Petty Cash Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount given (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <p>Approved By:</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Head Teacher</p>	<p style="text-align: center;">Petty Cash Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount given (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <p>Approved By:</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Head Teacher</p>
<p style="text-align: center;">Petty Cash Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount given (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <p>Approved By:</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Head Teacher</p>	<p style="text-align: center;">Petty Cash Voucher</p> <p>Date: _____ Voucher-Number: _____</p> <p>Amount given (Kina): _____</p> <p>Details / Tok Klia:</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <p>Approved By:</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Head Teacher</p>

A little Extra:

The following is a checklist, that helps you to see, if or not you have in place all your “Basic Systems”.

#	<i>Checklist Basic Systems</i>
	<u>Supporting Documents</u>
1	A supporting document is available for every expenditure transaction for the current financial year.
2	A supporting document is available for every income transaction for the current financial year.
3	Supporting documents are neatly filed in the folders Payables and Receivables, so that it is easy to find any document when it is needed.
4	The bank statements or pass books for each bank account are neatly filed.
5	Supporting documents and bank statements are kept for the previous seven years.
6	A “School File” exists and includes important documents like SLIP, reports, list of BOM members, census forms, registration documents, etc.
	<u>Combined Cash Book</u>
7	The date, description and amount of every transaction are recorded in the CCB.
8	All cashbooks (Petty Cashbook <u>and</u> CCB) are updated at least once per month.
9	A separate CCB or section in the CCB is kept for each bank account.
	<u>Budget Analysis</u>
10	The Budget Analysis Section is used to code all the financial transactions in the CCB.
11	The same Budget Analysis is used to write budgets and financial reports.
12	Transactions of specific projects/activities are classified in separate columns of the Budget Analysis Section.

(II) INTERNAL CONTROL

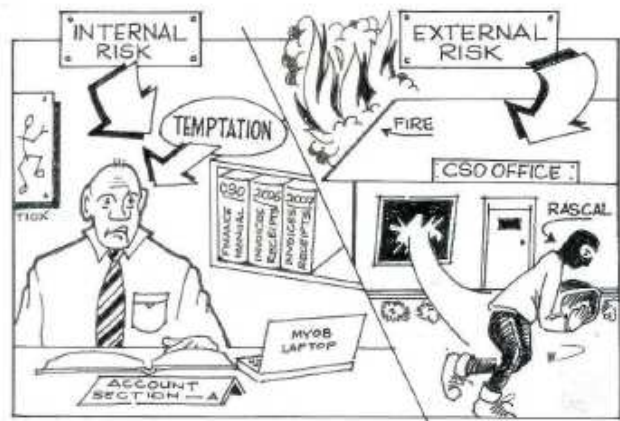
- Aim:** We want to ensure that school funds are spent for the benefit of the school; and that school funds are administered transparently by people that know their responsibilities.
- Outcome:** The participants are able to recognize risky financial behaviour in schools, and to recommend improvements.

Content: Internal control strategies ensure that money is not misused or lost, and spent on the planned projects and items. Proper internal controls add to the credibility of your school's management.

For example the *reviewing of financial reports* gives the site leaders an important control that expenditure stays within the boundaries of the budget. Together with *good filing* of receipts and payment vouchers it also helps to *avoid misuse of funds*.

Bank reconciliation is another control strategy that all organisations with bank accounts use. It uncovers differences between the school's own records and the bank statement or passbook. It makes misuse of funds much more difficult. "Bank Rec" also shows mistakes in the school's CCB-bookkeeping.

- Activity 1:** Control Strategies
 In a small group go through the list of strategies on the next page.
- Are all of them relevant for the proper use of funds and assets? Maybe some are not. Which ones are not?
 - Are there any more ways of securing funds and ensuring the proper use of funds that could be added to this list?
 - List those strategies that you regard as the most relevant for ensuring the proper use of funds!



- Activity 2:** Bank Reconciliation
 Read Reading 2-2 on bank reconciliations. Follow the "steps of bank reconciliation" and reconcile the bank statement with the CCB for February 2011 for Kia Primary School (page 18).
A hint: On page 17 you will find CCB, bank statement, and bank reconciliation for the previous month of January. You will need them, because some payments and deposits were done towards end of January which only appeared on the bank statement during February.
- Activity 3:** Improving the Internal Control System
 Appoint one of the group members to present not more than two short statements on how site leaders can improve Internal Control Strategies in their school. Mention how you as standard officer, district education officer, or elementary trainer can support them in this specific task.

Reading 2-1: Checklist Internal Control Strategies

#	Strategies	Relevance (very_relevant=1, relevant=2, not relevant=3)	Comment
1	All cash kept in the office is kept in a locked cash box or safe.		
2	All bank accounts are held in the name of the school, not in the name of individuals.		
3	There is a written policy (e.g. finance policy) setting out which members of staff can authorize expenditure.		
4	Each single transaction is authorized by the head teacher, and BOM-signatories, by signing payment voucher or cheque.		
5	Staff/BOM check that goods and services bought by the school have been received before bills are paid.		
6	Payments are done after a detailed invoice/receipt is received (including 'payee' and 'amount'); and after all details are noted down on the cheque-butts		
7	Salaries for auxiliary staff and allowances are checked by the head teacher or a BOM member every month.		
8	Financial duties are split between different persons (e.g. head teacher, treasurer, chairperson)		
9	Petty cash records of the head teacher are checked every month by the treasurer. (circle "0" if head teacher does not receive petty cash)		
10	Bank reconciliation is done every month for every bank account! (bank and CCB balance are reconciled)		
11	Cash reconciliation is done every month! (<u>physical amount of cash in the office</u> and in CCB reconcile)		
12	All reconciliations are checked by a senior staff or BOM member every month.		
13	All assets owned by the school are recorded in an Asset Register or Stock Book.		
14	An audit is carried out once per year, by a qualified auditor or a qualified member of community or BOM.		
15	Every year, auditors are selected by BOM (not only by those that are involved in finance, like HT, treasurer, or chairman).		
16	All cash receipts like school fees are deposited into the bank account monthly.		
17	All goods received are checked upon delivery.		
18			
19			
20			

Reading 2-2: Bank Reconciliation

To **reconcile** means **to bring together in agreement**. A **bank reconciliation statement** compares the school's records with the bank's record of the accounts.

Bank reconciliation ensures that

- the school did no mistakes in entering payments and receipts into the CCB
- the bank did not accidentally deduct money from your school's account
- all bank charges and bank interest are recorded in the CCB

It also shows

- all withdrawals – making it harder to hide unauthorized withdrawals by some headteacher or BOM
- all deposits – making sure that the right amounts are deposited
- when payments done by cheque are actually withdrawn from the bank account (which can be a few weeks after the actual payment)

Bank reconciliation should be done by a person other than the one doing the recording in the CCB.

Steps in a bank reconciliation

To complete a bank reconciliation, follow these steps **carefully**:

1. Obtain the bank statement or get your passbook be updated
2. Tick or mark each entry on the bank statement against the corresponding entry in the combined cashbook.
3. Any amount that does not appear in the CCB but in the bank statement must be entered into the CCB.
 - o any bank charges, e.g. bank fees, cheque book fees, etc. (**deduct** these)
 - o any deposits recorded on the bank statement, which for whatever reason have not been recorded in the cashbook (**add** these)
 - o any cheques incorrectly debited (**deduct** these) and deposits incorrectly credited (**add** these) to the account.
 - o any re - presented cheques (**deduct** these)
 - o any errors in cashbook entries.
4. Any amount appearing in the CCB but not in the bank statement must be marked with an asterisks (*) or O/S, meaning outstanding.
5. Fill in the "Bank Reconciliation Statement"!

BANK RECONCILIATION STATEMENT FOR THE MONTH OF JANUARY 2011		
1. Insert final balance from bank statement	A	K 8,817.25
2. List deposits made not shown on bank statement		K 250.00
Total	B	<u>K 250.00</u>
3. Add B to A	A+B = C	K 9,067.25
4. List withdrawals not shown on bank statement		K 600.00
Total	D	<u>K 600.00</u>
5. Subtract D from C	C-D=E	K 8,467.25
Balance E (K8,467.25) is in agreement with your CCB balance (K8,467.25).		

The purpose of the "Bank Reconciliation Statement":

Adjust the final balance on the bank statement, so it reconciles with ("equals") the final balance in the CCB.

When reconciling accept the bank statement figures as correct, even if you think they may not be entirely correct.

Example Kia Primary School (CCB, bank statement, and bank reconciliation for January 2011):

COMBINED CASHBOOK – CCB MONTH OF JANUARY 2011				
DATE	DETAILS	INCOME COLLECTED	PAYMENTS	BALANCE
01/01/11	Balance brought forward			200.00
24/01/11	School fees	2,500.00✓		2,700.00
25/01/11	School fees	1,850.00✓		4,550.00
26/01/11	Bought stationery chq 101		600.00✓	3,950.00
27/01/11	School subsidy	5,000.00 ✓		8,950.00
28/01/11	Sponsor Walkathon	250.00 o/s		9,200.00
31/01/11	Office furniture chq 102		150.00✓	9,050.00
31/01/11	stationery chq 103		600.00 o/s	8,450.00
31/01/11	Interest earned*	19.75✓		8,469.75
31/01/11	Bank charges*		2.50✓	8,467.25

Bank of South Pacific		Buka Branch		
CUSTOMER: KIA PRIMARY SCHOOL, P.O. BOX 2985 Buka				
STATEMENT OF ACCOUNT FOR JANUARY 2011 ACCOUNT NO 89150054				
DATE	DETAILS	DEBIT	CREDIT	BALANCE
03/01/11	Balance brought forward			200.00 Cr
25/01/11	Cash deposit		2,500.00✓	2,700.00 Cr
26/01/11	Cash deposit		1,850.00✓	4,550.00 Cr
27/01/11	Withdrawal chq 101	600.00✓		3,950.00 Cr
28/01/11	Interest		19.75 ✓	3,969.75 Cr
31/01/11	Withdrawal chq 102	150.00 ✓		3,819.75 Cr
31/01/11	Cheque deposit		5,000.00 ✓	8,819.75 Cr
31/01/11	Bank charges	2.50 ✓		8,817.25 Cr
Closing balance = K8,817.25				

BANK RECONCILIATION STATEMENT FOR THE MONTH OF JANUARY 2011		
1. Insert final balance from bank statement	A	K 8,817.25
2. List deposits made not shown on bank statement		K 250.00
Total	B	<u>K 250.00</u>
3. Add B to A	A+B = C	K 9,067.25
4. List withdrawals not shown on bank statement		K 600.00
Total	D	<u>K 600.00</u>
5. Subtract D from C	C-D=E	K 8,467.25
Balance E (K8,467.25) is in agreement with your CCB balance (K8,467.25).		

Cashbook Section of CCB (February 2011):

Date	Details	Chq# / DS	In	Out	Balance
31/1	BBF				8,467.25
7/2	MP donation	DS6	2,500.00		10,967.25
9/2	School desks	Chq 104		4,750.00	6,217.25
15/2	Maintenance	Chq 105		265.00	5,952.25
22/2	Classroom building	Chq 106		3,500.00	2,452.25
29/2	School fees	DS7	1,535.00		3,987.25

Bank Statement (February 2011):

Date	Details	Debits	Credits	Balance
1/2	Balance brought forward			8,817.25
1/2	Deposit		250.00	9,067.25
8/2	Cheque deposit		2,500.00	11,567.25
9/2	Withdrawal chq 103	600.00		10,967.25
10/2	Withdrawal chq 104	4,750.00		6,217.25
16/2	Withdrawal chq 105	265.00		5,952.25
17/2	Interest		31.62	5,983.87
29/2	Bank charge	2.50		5,981.37

BANK RECONCILIATION STATEMENT FOR THE MONTH OF February 2011		
1. Insert final balance from bank statement	A	
2. List deposits made not shown on bank statement		
Total	B	
3. Add B to A	A+B = C	
4. List withdrawals not shown on bank statement		
Total	D	
5. Subtract D from C	C-D=E	

(III) SCHOOL LEARNING IMPROVEMENT PLAN

Aim: We want our schools to plan and budget realistically and achieve their plans.

Outcomes: Participants will have practiced starting the SLIP process in their school.
Participants will be able to translate a school's SLIP into a budget.
They will be able to effectively monitor their expenses with regular budget reports.

Content: School Learning Improvement Plans (SLIP) are a guided approach to planning the school improvement

- in time (it includes a 3-Year-Outcome-Plan, with targets to be reached for the next 3 years),
- in depth (it includes an Annual Action Plan for the following focus areas: Curriculum Development, Professional Development, Management & Administration, Infrastructure, Governance), and
- financially (it includes a budget)

SLIP does not come with its own funding. It is simply a tool to help your school plan. Nevertheless: some donors like AusAid require a SLIP before any funding is provided.

A budget is the financial side of the SLIP Action Plan. It shows how the school intends to spend money, and where it intends to receive funds from.

Cross-references: The budget analysis side of the CCB monitors the SLIP-budget. For this the Department of Education has created the monthly "School Financial Return Budget Analysis Form", which will be presented in chapter "(IV) – Financial Reporting".

Activity 1: Community Exercise
The participants divide into four groups. The four groups represent four groups of stakeholders of Kligut Primary School (students, teachers, parents and community, BOM). Each of the groups discusses which improvements it wants for their school. Each group elects one speaker to present those dreams to the group.

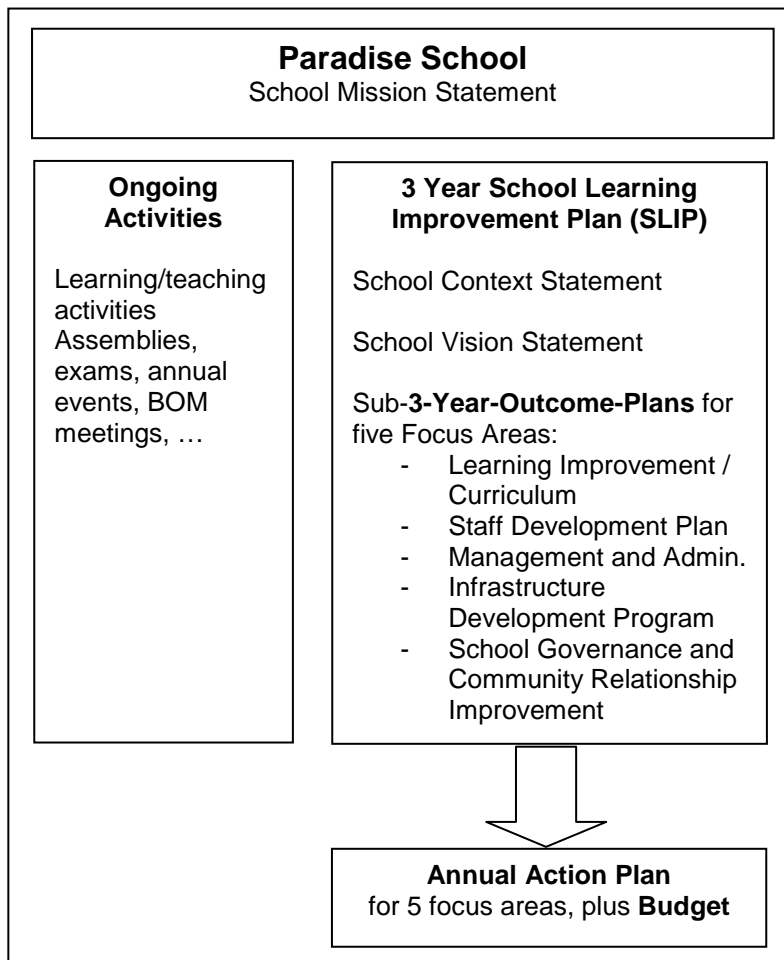
Activity 2: Planning for kids with special needs
Not all children have the same needs and abilities.
Form three groups: Group 1 discusses special needs of girls in their school, group 2 special needs of boys, group 3 special considers special needs of children with disabilities.
Focus on the question: How can we as BOM or as teachers address those needs, and support those children?
Every group will present their results.

Activity 3: Describing your school and building a SLIP
Divide into school groups.

1. Together read Reading 3-1 ("Managing Change with SLIP") and 3-2 ("What is included in a good SLIP").
2. Read Reading 3-4 and develop your school's Context Statement.
3. Read Reading 3-3 and develop a Vision for your school!
4. Develop your schools SLIP with Form 3-1 (OUTCOMES), and Form 3-2 (ACTIONS).

Activity 4: Budget Exercise
In the same small groups as in Activity 4 create a sample budget for Kligut Primary School, based on the Action Plan, using the blank form "Annual Budget". Plan for the next financial year!
Do the annual budget first, before looking at the quarter budgets.

Reading 3-1: Managing Change with School Learning Improvement Plans



As a school leader it is important to remember that managing a school is about the management of change.

SLIP shows a way of managing those changes by

- first looking at the school's current situation (the School Context), and
- then creating sub-plans for the five focus areas, with expected outcomes, and with
- Action Plans for every year

Strengths and Weaknesses, Threats and Opportunities identified in the Context Statement should be addressed by appropriate actions in the Action Plan.

SLIP focuses on OUTCOMES (what you want to achieve), and ACTIONS (how you want to achieve it).

E.g.: If the context statement shows that there are only a small number of toilets for teachers and students, then one of the actions taken should be to build new toilets.

A review should be done at least every year, to see which targets (outcomes) have been achieved, and which not. This helps to adjust and change the plans for the following years, so plans can be achieved later. A format to do the review is suggested with Form 3-2b.

The 5 Focus Areas:

- 1. Learning Improvement / Curriculum Development**
 - 20 to 25 % of the whole school budget should be allocated for curriculum materials
 - 2. Professional development**
 - Includes the Teacher Inservice Plans (TIP)
 - Focus on supporting the improvement of students learning (focus area 1)
 - 3. Management and Administration**
 - 4. Infrastructure**
 - new buildings and maintenance
 - 5. Governance and Community Relations**
 - Aims at improving transparency toward the community (e.g. by reporting financial situation to community, by reporting assessment results to parents)
 - Aims at creating awareness in the community regarding important issues like HIV/AIDS, gender, ...
 - Examples are: better involving students, "open days"
- In addition to the five focus areas the SLIP Action Plan needs to indicate the budget allocation (focus area 6).

Reading 3-2: What is included in a good SLIP (Final Approval Guidelines)

After preparing the SLIP it should be approved by the BEB or its subsidiaries. This is also important since some donors now require a SLIP from all schools applying for funds.

The following list of approval guidelines has kindly been provided by the Senior Standard Officer Primary Schools. It has been slightly adapted for the purpose of this manual.

1. The SLIP must be collaboratively planned by the students, P&C, BOM, teachers, men and women, ancillary staff, and the surrounding community.
2. The SLIP should use the approved format:
 - a. Context statement
 - b. Mission and vision statement
 - c. 6 focus areas
 - d. Cover 3 years
 - e. Include an annual action plan
3. There must be a clear link from context statement to action plan.
4. Cross cutting issues like HIV/AIDS, gender, or programs like TIP, BEDP, EQUITY, POPEd etc must be included!
5. All resources and funds committed especially in the annual action plan must be shown to be in the school (and not be expected to come from somewhere).
6. Some outputs stated require no budget support in the annual action plan.
7. The SLIP should be between 6 and 10 pages long.
8. The SLIP must be simple and easy to follow. It should be
 - a. SMART (“Smart, Measurable, Achievable, Realistic, Time related”)
 - b. KISS (“Keep It Short and Simple”)
9. The respective student leaders, head teachers, standard officers, BOM chairpersons, and Church Education Secretaries must agree that their SLIP is ready for approval by BEB or its delegates.

Reading 3-3: Creating a special identity for your school (Mission & Vision)

Why?

A special identity makes sure that your school's teachers, BOM, parents, community, and students, and potential donors are reminded of the unique character and unique services of your school.

Remember: A special identity should encourage donors to support your educational activities.

How?

Your school's special identity is a result of your ongoing participatory planning and review process.

Your School's special identity can be created in a variety of ways:

A Mission Statement provides a simple and precise description of the unique purpose of the school. It is creative and motivating. It should answer three questions:

- WHO does your school serve?
- WHAT needs des your school address?
- HOW does your school meet the needs of its target groups?

A School Logo promotes unique features of your school on an everyday base.

A Vision Statement gives a clear picture of where you, your BOM, your school community want to see the school in a few years.

Reading 3-4: Describing what is important about your school:

The Context Statement

<p>The Context Statement provides an assessment of the school's current situation. It serves as a basis in formulating the school vision (our "dream" of school-development). One needs to have a good understanding of the current situation, in order to plan for improvements in the future.</p> <p>The Context Statement should be no longer than two pages.</p> <p>The following gives a good idea of which information a Context Statement should include.</p>	
1.	<p>Background of School and external conditions that affect the school but cannot be easily controlled.</p> <p>History of school Location of school Social situation of community Economic situation of community</p>
2.	<p>Student population and performance, might show the need to take action to improve passing rates, or to build an additional classroom for expected new intake</p> <p>3-year-enrolment Classes Attendance Drop out rates Passing rates</p>
3.	<p>School resources that can be used for the improvement of the school (more than just money!)</p> <p>Financial Human (Teachers, well trained community-members) Infrastructure (facilities, classrooms) Social (community support, good network with other schools)</p>
4.	<p>School programs and strategies that your school currently uses to achieve desired outcomes such as good education</p> <p>Curriculum Special programs</p>
5.	<p>Community support</p> <p>BOM P&C NGOs Churches other agencies other people</p>
6.	<p>Trends and opportunities ("strengths"), e.g. organizations and practices that have a positive impact on the school</p> <p>Organizations Practices Other</p>
7.	<p>Challenges and issues ("problems"), operational problems affecting ...</p> <p>Teachers Students BOM Community</p>

Reading 3-5: School Budgets

Why?

Budgets are plans. They do not picture the reality, but they have to come as close to reality as possible.

Budget: The budget is part of the plan. It represents a dream that we have for the school.

CCB: The Combined Cashbook (CCB) represents the reality, the financial side of the work you do in your school.

How?

If a SLIP exists, the budget is based on the SLIP Action Plan.

The budget should be prepared by the treasurer and the headteacher, and be approved by the BOM before the school year starts. This means: The schools must not wait until they have collected their first school fees or subsidies.

Every school should know how much income and expenditure it had during the past years. This “experience” is helpful to budget (“estimate”) incomes and expenditure for the next year.

Budget Review: If after a few months into the school year the budget proves to be not workable because

- school fees or other incomes do not come forward as expected, or
- some projects are cheaper or more expensive than expected, or
- new needs have surfaced (maybe because a new headteacher or BOM comes with new ideas),

the budget can be reviewed by the school’s Board of Management, and a new budget can be approved.

Challenges:

Many BOMs feel unsure about the amount of school fee that they will collect, and therefore only approve a new budget after they have started collecting school fees. This is not necessary. Mostly the school fee collection of the previous years gives a good idea of how much school fee can be expected for the next year. E.g. by November or December 2009 the latest, the budget for 2010 should be approved.

When a new headteacher starts a budget should already be in place, so she knows right from the start what is expected from her, and how the BOM wants to allocate money.

If later that year the need to change the plans is felt by BOM (which includes the headteacher), they can still review and change the budget.

SMPB-Form 3-1: A suggested format for a SLIP 3 Years Outcome Plan

School Learning Improvement Outcome Plan (2011 – 2013)

FOCUS AREA	2011 OUTCOME	2012 OUTCOME	2013 OUTCOME
Curriculum (Student Learning improvement)			
Staff Development Plan			
Management and Administration			
Infrastructure Development			
School Governance and Community Relations			
Budget Allocation			

SMPB-Form 3-2: A suggested format for documenting an Annual Action Plan

School Learning Improvement Action Plan 2011

Outcome to be achieved (taken from 3-Years-Outcome-Plan)	What we will do? (Strategy)	When we will do it?	Resources to be used – time as well as Kina	Who will do it?	Indicators of success – observable, measurable	Review process to gather the data to make the judgments

SMPB-Form 3-2b: A suggested Format for SLIP-Review

Outcomes (taken from 3-Years- Outcome-Plan and Annual Action-Plan)	Well Done	Partly Done	Not Done	Comments

SMPB-Form 3-3: Annual Budget

Name of School: _____, Province: _____

School year: _____

ITEMS	YEARLY BUDGET	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
RECEIPTS					
Total					
PAYMENTS					
SLIP-Focus Area "Curriculum Development"					
SLIP-Focus Area "Professional Development"					
SLIP-Focus Area "Admin. and Management"					
SLIP-Focus Area "Infrastructure"					
SLIP-Focus Area "Governance and Community Relations"					
Total					

Approved by Board of Management – date:

Presented to Parents and Citizen – date:

Signature Head Teacher:

Form 3-4: How a (SLIP) budget could look like:

SMPB PRIMARY SCHOOL BUDGET FOR 2010

	Item	Yearly Budget Allocation	1 st Term	2 nd Term	3 rd Term	4 th Term
Part A "Income"						
1	School Fees	25,000	10,000	8,000	5,000	2,000
2	Subsidy	10,000	5,000	-	5,000	-
3	Rentals	1,200	360	360	360	360
4	Fund Raising	6,300	1,000	2,300	2,000	1,000
5	Other	-	-	-	-	-
	TOTAL Income:	42,500	16,360	10,660	12,360	3,360
Part B "Savings"						
	Savings from previous years	-				
Part C "Expenditure"						
SLIP Focus Area "Curriculum Development"	Student's text books	8,000	4,000	4,000	-	-
	Stationeries, exercise books	6,000	2,000	2,000	1,000	1,000
	Sporting equipment	500	500	-	-	-
	Projects	1,000	250	250	250	250
SLIP Focus Area "Professional Development"	Inservice	1,000	250	250	250	250
SLIP Focus Area "Management / Administration"	Petty Cash	2,000	500	500	500	500
	Transport	3,000	750	750	750	750
SLIP Focus Area "Infrastructure"	New Teacher's house	10,000	-	3,000	5,000	2,000
	Building Maintenance	10,000	5,000	1,000	2,000	2,000
	Lawn mower fuel	1,000	250	250	250	250
SLIP Focus Area "Governance / Community Relations"	-	-	-	-	-	-
	TOTAL Expenditure:	42,500	13,500	12,000	10,000	7,000

(IV-a) FINANCIAL REPORTING AND BUDGET CONTROL

Aim: We want to ensure that school funds are spent for the benefit of the school; and that school funds are administered transparently by people that know their responsibilities.

Outcome: The participants are able to monitor their schools' budgets; and to report on their cash receipts and deposits.

Content: Reports can be used for two purposes:

- for internal purposes: the head teacher and BOM want to make sure that priorities are done, only items necessary for the school's priorities are bought, that no funds are diverted - in short: that no funds are misused, and the budgeted plans are achieved
- for external stakeholders: Division or Department of Education, donors, community

Internal control strategies ensure that money is not misused or lost, and spent on the planned projects and items.

In this chapter we present a list of strategies that schools can use to ensure the proper use of money. For example the reviewing of financial reports gives the site leaders an important control that expenditure stays within the boundaries of the budget.

Activity 1: Reading 4-2 gives some explanations on the use of the "Cash Receipts & Deposits Reconciliation Statement". Please read and together with your neighbors record the following school fee collections for October in the statement. Assume that these are the only collections of that month and that the total amount will be deposited into the BSP account.

Activity 2: Prepare a budget report for the month of November, based on the previous CCB-exercise. Use the "School Financial Return Budget Analysis Form" provided on page 33. Use the budget sample "SMPB PRIMARY SCHOOL BUDGET FOR 2010" (Unit III, page 29). Read Reading 4-1 first.

<p style="text-align: right;">RECEIPT 743871 Date <u>1/12/2010</u></p> <p>The sum of <u>fourty Kina only</u></p> <p>Being for <u>s/fee Grass Roots junior '08 (grade 3)</u></p> <p><u>PGK 40.00</u> <u>Heddy Tisa</u> Signature</p>	<p style="text-align: right;">RECEIPT 743872 Date <u>4/12/10</u></p> <p>The sum of <u>fifty Kina only</u></p> <p>Being for <u>school fee grade 3 Chris Kalosoi 2008</u></p> <p><u>PGK 50.00</u> <u>Heddy Tisa</u> Signature</p>	<p style="text-align: right;">RECEIPT 743873 Date <u>4/12/10</u></p> <p>The sum of <u>fifty Kina only</u></p> <p>Being for <u>school fee grade 3 Martha Takaku 2008</u></p> <p><u>PGK 50.00</u> <u>Heddy Tisa</u> Signature</p>
<p style="text-align: right;">RECEIPT 624035 Date <u>2/12/10</u></p> <p>The sum of <u>one hundred fifty Kina only</u></p> <p>Being for <u>s/fee Mista Koromax Grade 6</u></p> <p><u>PGK 150.00</u> <u>Heddy Tisa</u> Signature</p>	<p style="text-align: right;">RECEIPT 624036 Date <u>12/12/10</u></p> <p>The sum of <u>one hundred twenty Kina only</u></p> <p>Being for <u>s/fee Jhonny Oberan Grade 6</u></p> <p><u>PGK 120.00</u> <u>Heddy Tisa</u> Signature</p>	<p style="text-align: right;">RECEIPT 624037 Date <u>20/12/10</u></p> <p>The sum of <u>one hundred fifty Kina only</u></p> <p>Being for <u>s/fee Susy Koro Grade 6</u></p> <p><u>PGK 150.00</u> <u>Heddy Tisa</u> Signature</p>

Reading 4-1: Reporting on Budgets with the “School Financial Return Budget Analysis Form” (Form 4-1, and 4-2)

Every school should deliver this report to the Division every month, but it is even more useful for the school itself. It is a good habit to finish the report within the first week of the following month.

It enables the school to compare its plans (“the budget”) against the reality. How much of their plans for the year has the school actually achieved so far?

This budget report shows when an entire SLIP FOCUS AREA or one particular budget item of a SLIP FOCUS AREA has been

- overspent (which means that money might have been wasted), or
- under-spent (which could mean that the BOM or headteacher are to work harder to achieve plans).

This budget report also shows when expected funds are not forthcoming.

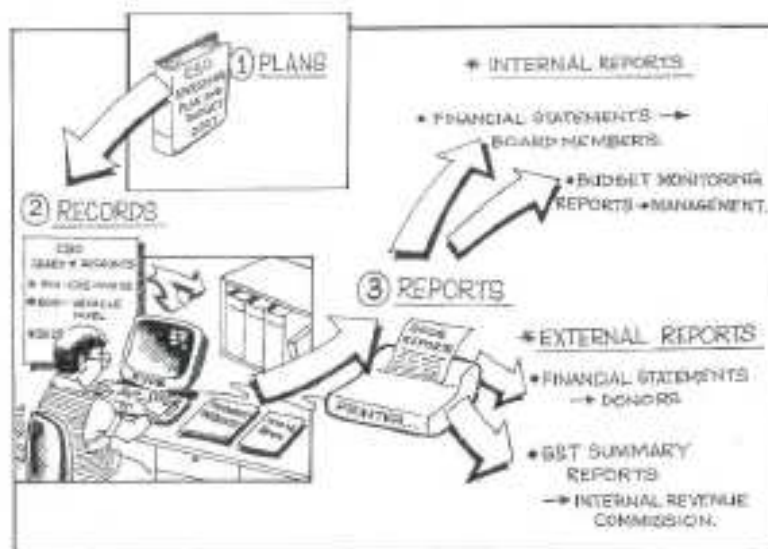
Some actions that a BOM might have to take after a budget report:

- find out from parents why school fee payments are low (if they are); find ways to increase payments
- follow up with donors/government agencies if subsidies/grants are not received in time
- find reasons for slow implementation of projects; speed up those projects
- review the budget if it is no longer realistic

Explanations to the “School Financial Return Budget Analysis Form”:

The different columns

- Budget Items: these correspond with the budget items from your SLIP-budget.
- Progressive Revenue/Expenditure: this refers to the revenue and expense that you had in the months prior to the reporting month (in this case “January to March”)
- Revenue/Expenditure This Month: this refers to the revenue or expenditure for the reporting month (in this case “April”)
- Total Receipts/Expenditure: from beginning of the year until the end of the reporting month (here: “January till April”).
- Annual Budget: the budgeted amount that is approved by the BOM for the current year
- Budget Progress: the percentage of the budget that has been achieved by end of the reporting period (calculated like this “=(column Total Receipts) / (column Annual Budget) * 100” = %)



Reading 4-2: Report on cash collections with “Cash Receipts & Deposits Reconciliation Statement” (Form 4-3)

This report (a sample is seen in Form 4-3) too, every school should deliver to the Division after the end of every month. Like with all monthly reports it is a good habit to finish the report within the first week of the following month. Its purpose is to ensure that all cash collected by the school is actually deposited into the school account first. This report is therefore an important part to ensure good governance in our schools.

All schools collect a large part of their incomes as cash, e.g. school fees. According to the Public Finance Management Act:

1. *All cash must be receipted and deposited to the school account.*
2. *It is illegal for schools to use cash without depositing into a legal account first.*

To 1.: It is good practice to keep a separate receipt book for every class, and one for other cash incomes like fundraising. This also makes reporting easier.

To 2.: A legal account has to be with a registered and secure banking institution like BSP. Using school fee collections directly without depositing them first, is illegal. It is also less transparent and can easily lead to misuse.

Explanations to the “Cash Receipts & Deposits Reconciliation Statement”:

- **“Receipt Book / Reference Class”**: First column groups the school fee payments of this particular month according to the grades of the students.
- **“Receipt Numbers”**: Second and third column state the receipts from the receipt book used for those students. E.g. if twenty-one grade 4 students paid school fee, and the first receipt-number was 633873, then the following numbers would have been 633874, 633875, ..., finishing with 633893. The first and the last number will be recorded in the statement.
- **“Total Amount (K)”**: Fourth column states the total amount of school fees that were collected from this particular grade or class.
- **“Total”**: The last line adds up the total cash collections of that particular month.
- **“Deposit No.”** is the number of the deposit done for that month. E.g. if in March for the first time that year school fee collections are deposited into the bank account this would be “1”.
- **“Total Deposited”** means the amount deposited for that month. If the first deposit is done in March, then this amount should equal the total cash collections of January, February, and March.

Reading 4-3: Report on monthly financial summary with “School Monthly Financial Return Summary Form” (Form 4-4)

This report (a sample is seen in Form 4-4) can be looked at as the summary of the already mentioned, other two reports. It should be delivered to the Division of Education, your Church Agency and other stakeholders after the end of every month, together with the other two reports (Reading 4-1 and 4-2). Like with all monthly reports it is a good habit to finish the report within the first week of the following month. Its purpose is to give a quick overview on the financial situation of your school at the end of every month. Did you already compile the other two reports and is your bank reconciliation done? Just transfer the figures into this report!

Explanations to the “School Monthly Financial Return Summary Form”:

- **A) Revenue for this month**: Look at “School Financial Return Budget Analysis Form” or your CCB.
- **B) Expenditure for this month**: Look at “School Financial Return Budget Analysis Form” or your CCB.
- **C) Annual Budget**: Look at “School Financial Return Budget Analysis Form” or your annual budget.
- **D) Progressive Revenue to date for the Year**: Total of all previous months *plus* the current month.
- **E) Progressive Expenditure to date for the Year**: Total of all previous months *plus* the current month.
- **F) Reconciled CCB Bank Balance**: If bank reconciliation is done (with cheque accounts required monthly), enter it. If not, use your normal bank balance and strikethrough “Reconciled”.
- **G) IBD/Savings**: Does your school maintain ‘Interest Bearing Deposits’ or other savings?
- **H) Cash on Hand**: Cash money in your school, look at your CCB-records, count your cash to proof.
- **I) Total Cash Asset**: Total amount, includes bank, savings and cash on hand (add lines F + G + H).



SMPB-Form 4-1

SCHOOL FINANCIAL RETURN BUDGET ANALYSIS FORM

SCHOOL: _____ MONTH: November YEAR: 2010 REPORT NO.: 11

(To be circulated with report summary)

REVENUE						
ITEM NO.	BUDGET ITEM	PROGRESSIVE REVENUE (OF PREVIOUS MONTHS) (A)	REVENUE THIS MONTH (B)	TOTAL RECEIPTS (C= A+B)	ANNUAL BUDGET (D)	BUDGET PROGRESS (%) (E)
1	School Fee	2,450.70			5,000	
2	Subsidy / Grants	2,270.00			4,550	
3	Rental	-			2,000	
4	Fundraising	330.30			1,000	
	Total:	5,051.00			12,550	

EXPENDITURE						
ITEM NO.	BUDGET ITEM	PROGRESSIVE EXPENDITURE (OF PREVIOUS MONTHS)	EXPENDITURE THIS MONTH	TOTAL EXPENDITURE	ANNUAL BUDGET	BUDGET PROGRESS
SLIP Focus Area: Curriculum Development						
1	Stud. Text Books	587.50			3,000	
2	Student Stationary	145.90			500	
3	Sport. Equipment	-			500	
	Sub Total:				4,000	
SLIP Focus Area: Professional Development						
4	Teacher Inservice	125.00			550	
	Sub Total:				550	
SLIP Focus Area: Management/Administration						
5	General Admin	256.00			1,000	
6	Petty Cash	150.00			500	
7	Transport	200.00			500	
	Sub Total:				2,000	
SLIP Focus Area: Infrastructure						
8	New Trs House	140.00			500	
9	Maintenance	1,550.00			4,000	
	Sub Total:				4,500	
SLIP Focus Area: Governance & Relations						
10	Awareness & Comm. Relations	-			1,500	
	Sub Total:				1,500	
	Total:				12,550	
	Difference					

NB: Budget items must conform to the approved annual school budget items and be applied in the CCB.

Sign: _____
(Principal / Head Teacher)

Date: _____

Copies: Chairman – BoM, Deputy Education Advisor, SPA – Planning, District Administrator, District Education Officer, Provincial Auditor, Standards Officer & Staff Notice Board

Explanation:

- (A) Progressive Revenue/Expenditure: Added income/expense of all previous months of the year
- (B) Revenue/Expenditure this month: Of this month only
- (C) Total Receipts/Expenditure: (A)+(B)
- (D) Budget: Taken from the budget which is approved by BOM
- (E) Budget Progress: Shows how much of the budget has been achieved ((C) / (D) * 100); at end of the year it should be somewhere to 100%



DEPARTMENT OF EDUCATION
SUPERVISION AND MANAGEMENT REFORM

SCHOOL FINANCIAL RETURN BUDGET ANALYSIS FORM

SCHOOL: _____ MONTH: _____ YEAR: _____ REPORT NO.: _____

(To be circulated with report summary)

REVENUE						
ITEM NO.	BUDGET ITEM	PROGRESSIVE REVENUE (A)	REVENUE THIS MONTH (B)	TOTAL RECEIPTS (C= A+B)	ANNUAL BUDGET (D)	BUDGET PROGRESS (%) (E)
	Total:					

EXPENDITURE						
ITEM NO.	BUDGET ITEM	PROGRESSIVE EXPENDITURE	EXPENDITURE THIS MONTH	TOTAL EXPENDITURE	ANNUAL BUDGET	BUDGET PROGRESS
	Total:					
	Difference:					

NB: Budget items must conform to the approved annual school budget items and be applied in the CCB.

Sign: _____
(Principal / Head Teacher)

Date: _____

Copies: Chairman – BoM, Deputy Education Advisor, SPA – Planning, District Administrator, District Education Officer, Provincial Auditor, Standards Officer & Staff Notice Board



SUPERVISION AND MANAGEMENT REFORM

CASH RECEIPTS & DEPOSITS RECONCILIATION STATEMENT

SCHOOL: _____ MONTH: _____ YEAR: _____ REPORT NO.: _____

All cash must be receipted and deposited to the school account. It is an offence under the Public Finance Management Act (1986) as amended to use public money without issuing an official receipt and to use cash without depositing into a legal account.

Receipt Book Reference Class	Receipt Number		Total Amount (K)
	From	To	
3A			
3B			
3C			
3D			
		Grade 3 Total	
4A			
4B			
4C			
4D			
		Grade 4 Total	
5A			
5B			
5C			
5D			
		Grade 5 Total	
6A			
6B			
6C			
6D			
		Grade 6 Total	
7A			
7B			
7C			
7D			
		Grade 7 Total	
8A			
8B			
8C			
8D			
		Grade 8 Total	
General Receipts			
		Total	

Accounted
Deposit No.: _____

Total Deposited: _____

Sign: _____
(Principal / Head Teacher)

Date: _____

Copies: Chairman – BoM, Deputy Education Advisor, SPA – Planning, District Administrator, District Education Officer, Provincial Auditor, Standards Officer & Staff Notice Board



DEPARTMENT OF EDUCATION
SUPERVISION AND MANAGEMENT REFORM

SCHOOL MONTHLY FINANCIAL RETURN SUMMARY FORM

SCHOOL: _____
REPORT NO.: _____

BOG A/C NO.	_____
BANK	_____
BRANCH	_____

FINANCIAL RETURN FOR THE MONTH OF _____ 200_____

Attach financial analysis form. Report is incomplete without the financial analysis for the month.

- A Revenue for this month K _____
1. Total deposited: K _____
 2. Fees collected: K _____
 3. Other sources: K _____
 4. Receipt & Deposit Reconciliation done: Yes/No

B. Expenditure for this month K _____

Comments: _____

C. Annual Budget K _____

D. Progressive Revenue to date for the Year K _____

E. Progressive Expenditure to date for the Year K _____

Comments: _____

F. Reconciled CCB Bank Balance K _____

G. IBD/Savings K _____

H. Cash on Hand K _____

I. Total Cash Asset K _____

Comments: _____

Sign: _____
(Principal / Head Teacher)

Date: _____

Copies: Chairman – BoM, Deputy Education Advisor, SPA – Planning, District Administrator, District Education Officer, Provincial Auditor, Standards Officer & Staff Notice Board

(IV-b) REVIEW THE MANAGEMENT CYCLE: PLAN, RECORD, AND REPORT

Aim: Our goal is a transparent and efficient management system in all our schools.

Outcome: The participants are able to make the best out of the relationship between the management activities of budgeting, recording transactions in the CCB, and reporting.

Materials: this booklet

Content: Planning, Recording, and Reporting are the three main parts of the so-called "Management Cycle". In school financial management as well one cannot go without the other.

Budget Items ... represent the financial side of our SLIP Action Plans.

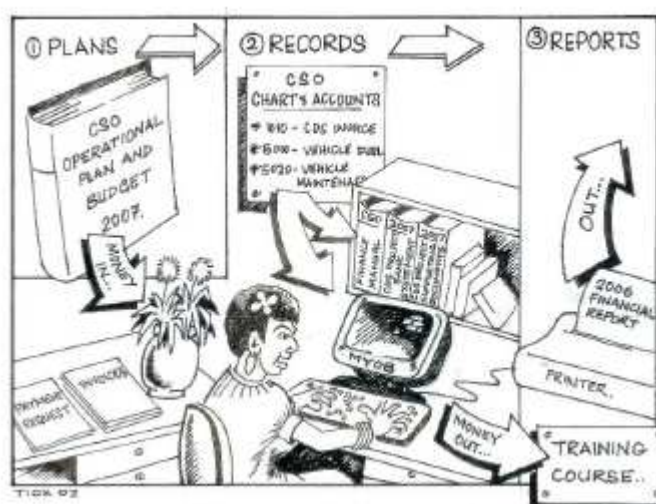
The Budget Analysis Section of the CCB ... includes a separate column for every budget item, making it easy to record all payments or receipts of a particular budget item.

The "Financial Return Budget Analysis Form" ... report on all payments and receipts of all budget items. It monitors our expenditures and incomes and gives us information that we need for our decision-making.

There are a number of other reports, each with a particular purpose.

Activity 1: Finance Report at Community Meeting:
In the same small groups as before discuss how you will present the progress of your budget to the school community. You can use "Budget Analysis Report" as a guideline.
Appoint one out of your group to present the financial report to the rest of us.
Be prepared to answer detailed questions on some budget items. You can use the budget, and the Combined Cashbook as support for answering questions.

Activity 2: In small groups discuss how reports, e.g. the budget analysis report, from previous school years or semesters can help to improve the planning of a typical primary or elementary school. How important is bookkeeping with the CCB for reporting and planning?
Each group prepares one statement only (e.g. "This is how budget analysis helps us to prepare future reports: ...") and presents and explains it to the plenum.



Reading 4-3: Review the Management Cycle

Participatory Planning

Allowing the headteacher or the chairman to prepare the budget and SLIP all by himself, is like assuming that he is as all-knowing as God. But he or she is not! Students, parents, BOM-members, teachers, ... they all know things about their school, that the headteacher doesn't know. Or they might have needs that the chairperson does not have a clue of!

A teacher might think: "Next year I'll be gone. If the BOM doesn't ask me, I won't bother telling them about the major maintenance needed on my house."

Grade 8 students might be bored after school and start drinking activities, which might have been avoided, if they had had a chance to express their wish for a better rugby field.

Parents school fee payments might be low because of high expectations towards the teachers that were not met. A community meeting might uncover this and show a way to tackle those problems and increase school fee collections.

Female student's dropout rate might be high, if there are no proper toilet facilities to care for their special monthly needs.

It is the work of the headteacher and other BOM-members involved in SLIP-planning and budgeting to give the different stakeholders of the school the chance to take part in the planning process.

At the same time this participatory approach makes their planning work easier. They will then only have to collect everybody's ideas and bring them together into one SLIP and one budget.

Reading 4-4: SMART Planning

Plans should be SMART:

- S for specific
- M for measurable
- A for achievable
- R for realistic
- T for time-related

An example for a SMART plan:

"March 2009 the Mutompo village-community will start building a teachers house, which is to be finished by end of 2009. Carpenters Jeff Hekso and Bik Somil will organize the building process."

This task is specific, clearly measurable ("one teacher's house"), achievable, realistic, and the time frame given is clear. Once the project is finished everybody will agree that the set goal was achieved.

An example for a not very SMART plan:

"We want to improve the living situations of all our teachers."

Who? By when? What exactly do we want to do? Build new houses, renovate old ones, or just patch their houses roofs? Different community members might have different ideas of the what, when, and who.

Disagreements within the community over this project are more likely to happen.

Reading 4-5: Having everything in place

The headteacher as the manager of the school should have copies of the budget, financial reports, the Combined Cashbook readily at hand, when needed

- as reference for reports, or
- when making purchase decisions.
- He/she should also be able to produce these documents upon request by their standard officer, or
- when questioned by BOM members.

This makes work easier. It also promotes transparency of his/her and the BOM's financial dealings.



(V) PEOPLE

Aim: The people that run the school are able to fulfil their tasks.

Outcome: The participants are able to list the responsibilities of BOM office bearers (including the head teacher) and the skills needed to fulfil their roles.

Content: Management and leadership is all about people. Unfortunately (?) headteachers and BOM officials change over time and new position holders again have to learn the skills they need. Who can do the job and advise them?

Activity 1: Discuss the section of the Health Check on "People" with your neighbours. Collect the main responsibilities of treasurer, chairperson, and headteacher and note them down on paper. Who can help them to get the necessary skills or improve in their job? Use the following tables as help. Use this to prepare and present a simple BOM training program for the schools in your inspectorate or district.

<i>Main Responsibilities of Headteacher</i>	<i>Necessary Skills can be acquired how and through whom?</i>

<i>Main Responsibilities of Treasurer</i>	<i>Necessary Skills can be acquired how and through whom?</i>

<i>Main Responsibilities of Chairperson</i>	<i>Necessary Skills can be acquired how and through whom?</i>

Health Check “People”

#	Strategies	Relevance (very_relevant=1, relevant=2, not relevant=3)	Comment
5.1	The treasurer has learned the skills needed to oversee all financial activities.		
5.2	The head teacher has attended at least one one-week-training on financial management.		
5.3	There are enough finance staff to carry out all of the financial activities.		
5.4	Head teacher, chairperson, and treasurer regularly meet and talk about school management, including finance.		
5.5	Chairperson and other staff/BOM have the skills they need to implement controls and to manage budgets.		
5.6	A clear written statement of every position’s financial management responsibilities exists, especially for chairperson, treasurer, head teacher (e.g. as part of the school’s financial policy).		
5.7	All staff and BOM receive regular training / inservice on their financial management responsibilities.		

Notes:
