



MINISTRY OF EDUCATION, ARTS AND CULTURE

GUIDELINES FOR THE ADMINISTRATION OF SCHOOL FINANCES



OPERATIONAL MANUAL

GUIDELINES FOR THE ADMINISTRATION OF SCHOOL FINANCES

Acknowledgement

It is the wish of the Ministry of Education, Arts and Culture that the Regional Education Directorates, Inspectors of Education, School Boards and Schools will make good use of this operational manual for public and Government Aided Church schools and that effective administration and management of school finance will be the norm in our schools.

Table of Contents

ACKNOWLEDGEMENT.....	
ACTION STATEMENT ON PROVISION OF EDUCATION GRANT.....	
DEFINITIONS:.....	
GUIDELINES FOR THE ADMINISTRATION OF SCHOOL FINANCE	
1. BANK ACCOUNT AND SIGNATORY POWERS.....	
2. FUNDS RECEIVED FROM THE MINISTRY OF EDUCATION	
2.1 UTILIZATION OF EDUCATION GRANT (EG).....	
2.2 EDUCATION GRANT (EG) SHALL NOT BE USED FOR THE FOLLOWINGS:	
3. DISBURSEMENT OF EG TO SCHOOLS	
4. SCHOOLS	
5. BUDGET.....	
6. BOOKKEEPING AND CONTROL MEASURES	
6.1 Prescribed Documentation:	
6.2 Handling of Receipt books	
6.3 Collecting of Funds.....	
6.4 Control of funds Received and Deposit thereof	
7. REQUEST FOR PAYMENT	
7.1 Authorization of payments	
7.2 Supporting documents for Payments	
8. BOOKKEEPING AND BANK RECONCILIATION	
8.1 Cash for The Main Account (SDF).....	
8.2 Cash Book for Petty Cash	
8.3 Commitment Register	
9. FUNDRAISING ACTIVITIES	

10. DONATIONS.....
11. ASSETS/STORE REGISTER/INVENTORY AND ANNUAL STOCK TAKING.....
12. AUDITING OF THE ACCOUNTING BOOKS
13. EDUCATION ACT (ACT NO. 16 OF 2001) AND ITS REGULATIONS.....
14. SCHOOL BOARD
15. BROAD CONTROL AND RESPONSIBILITIES
16. DISCREPANCIES DETECTED DURING THE PAST YEARS WITH HANDLING OF SDF.....
17. REPORTING
18. RESTRICTION
19. EDUCATION GRANT GOVERNING DOCUMENTS

ACTION STATEMENT ON PROVISION OF EDUCATION GRANT IN NAMIBIA

It is tuition-free education provision to all children enrolled in the primary/secondary education phase at State Schools or State Aided Church Schools, clearly making the accessing of education in this phase open **through the removal of financial barrier**.

Education is an undeniable right enshrined in our Constitution, further guaranteed beyond our borders by virtue of Namibia being a member State to:

- The United Nations (UN),
- The Africa Union (AU), and
- The Southern African Development Community (SADC).

Namibia became a signatory to a number of international, continental and regional conventions, declarations and treaties in support of Education 2030 under the Sustainable Development Goals (SDG) 4.

DEFINITIONS:

1. **Benefiting Schools** herein referred to as all state and some state subsidised/ state aided churches' primary, combined and secondary schools, including special/ resource schools.
2. Banking Institutions herein referred to as commercial banks.
3. Dignity Project refer to supporting integrated approach to health, hygiene and wellness for boys and girls through the provision of materials and activities, including, but not limited to sanitary products, as part of the Integrated School Health Programme and National Safe Schools Framework.

4. Permanent Structures herein referred to as physical facilities that are made with bricks.
5. Primary/ Secondary Education Grant (PEG/ SEG) herein referred to as funds appropriated for the implementation of primary/ secondary school funding from the Government of the Republic of Namibia and availed through the Ministry of Finance.
6. School development fund (SDF) herein referred to as the main school account under which funds in all other votes are administered.
7. Education Grant (EG) herein referred to as the general term for funds appropriate for the implementation of Formal Education from the Government.

OVERVIEW OF GUIDELINES FOR THE ADMINISTRATION OF SCHOOL FINANCES

- 1. Bank Account And Signatory Powers**
- 2. Funds Received from the Ministry of Education, Arts and Culture**
- 3. Disbursement of Education Grant to Schools**
- 4. Schools**
- 5. Budget**
- 6. Bookkeeping and Control Measures**
- 7. Request for Payment**
- 8. Bookkeeping and Bank Reconciliation**
- 9. Fundraising**
- 10. Donations**
- 11. Assets/Store Register/Inventory and Annual Stock Taking**
- 12. Auditing of the Accounting Books**
- 13. Education Act(Act No.16 of 2001) and its Regulations**
- 14. School Board**
- 15. Broad Control and Responsibilities**
- 16. Discrepancies Detected During the Past Years with Handling of SDF**
- 17. Reporting**

18.Restriction

19.Education Grant Governing Documents

1

1. BANK ACCOUNT AND SIGNATORY POWERS

1.1 All the beneficiary schools should open an account (preferably a current account with electronic/online banking option) at the nearest banking institution.

1.2 Cash withdrawal forms for small rural schools where no electronic banking facilities is available: Three (3) members from the School Board should be assigned in writing during the School Board meeting to have signatory/ authorisation powers; of which any two (2) of the three (3) should authorise on the withdrawal forms. The Minutes of such meeting should be filed in the finance file.

Note: The person that prepares the request for payment, the initiator and the treasurer should not have final signatory/authorization rights.

1.3 Electronic/ online banking: Banking institutions will issue the schools with a device called a token for accessing the account with a password. The person who will start the payment process (initiator) and depending on the decision of the Regional Directorate, three (3) or four (4) authorized officials must be part of the processing of online payment. Starting from the initiator; the official who will start the payment process on the computer/ cell phone followed by the official who will verify the validity of the transaction from the requested documents (validity of request, need, quotations, whether budgeted for, availability of funds, selection of correct service provider, completion of payment request forms) followed by 2nd person to verify if need be, then the official who will approve (principal) and last the official who will endorse the approval (School Board Chairperson/ assigned School Board member)

- 1.4 The details of the three (3) or four (4) authorized officials (signatories) should be given to the banking institution as per requirement; the school should write a letter to the banking institution (under the signature of the Chairperson) and indicate the names, portfolios and contact details of these people who will give specimen of their signatures to the banking institution on a prescribed form. This is for verification purposes in case of suspected fraudulent transactions where cash withdrawal forms or over the counter withdrawal that requires signature is been used. *NB: Every time changes occur regarding authorisation/signatory powers, the school has to go through this exercise by notifying the bank on the cancellation of certain officials/signatures and replacement thereof. In addition, the school principal and all the officials must guard against these unique pass word/user pin numbers/specimen signatories not to fall in the hands of people who can defraud the school.* In case of online banking, the authorized officials should guard against their pass word/user pin number and must not share it with any other person.
- 1.5 Copies of the above correspondence to the bank should be properly filed in the finance file and a copy forwarded to the Inspector of Education at the Circuit office.

2. EDUCATION GRANT FROM THE MINISTRY OF EDUCATION, ARTS AND CULTURE

The schools should write an acknowledgement letter to the Regional Director of Education, Arts and Culture **upon the receipt of such funds and keep a copy of the letter in the finance file for record purposes.**

2.1 UTILIZATION OF EDUCATION GRANT (EG)

All the schools must operate its funds under the school development fund account of which education grant, donations, fundraisings, etc.as indicated below will be administered as different subdivisions/ votes under the SDF account. (Do not change the subdivisions/ votes, every single activity or item will fit into these votes if it is relevant to the schools).

These funds should be used by school with the authorization of the School Board in accordance with the approved budget. It should be mainly use (at least 60%) for educational attainments in the following areas:

2.1.1 Curriculum Attainment

All teaching aids, stationeries for learners, textbooks (but not bulk purchases) and other Learning Support Materials (LSMs).

2.1.2 Practical Subjects

Agriculture & School Gardening/Home Sciences/Design and Technology /Practical Subject related LSM including garden equipment, manure, seeds, laboratory chemicals etc.

2.1.3 Office Equipment and Machinery

Labour saving devices, such as photocopy machines & duplicators, computers, printers, scanners, tape recorders, TV's, PA systems, air conditioners for ICT centres, generator and etc. (with approval from the Regional Director).

2.1.4 Co-And Extra-Mural/ Curricular Activities

There is a mandatory N\$5.00, allocation for integrated Physical Education and School Sport activities per learner; the optional Religious activities, Debating Clubs, Science Fair Projects Teenagers Against Drug and Alcohol Abuse (TADA), School Choir, educational excursions and culture activities(no transport should be included but material, equipment, attires, refreshments, and entrance/ registration and affiliation fees).

2.1.5 Office Administration

Telephone, courier services, internet, fax, cartridges, master roll, office stationery, photocopy papers, alarms, licences, DSTV subscription fees.

2.1.6 Transport

School related transport including co- and extra-mural/curricular transport and educational related transport. In case a School Board member is required to travel out of town or to a venue outside his/her residential town/village and uses his/her private vehicle to represent the school; the school should pay pre-approved rate

as per the approved schools transport policy (not exceeding N\$3.50 per kilometre). Notwithstanding the rate for the usage of private transport, during the School Board meeting an appropriate transport rate must be discussed and decided upon preferably public transport rate as far as possible. This decision must clearly indicate the amount the school will pay per kilometre for the usage of private transport. **The rate per kilometre must not exceed N\$3.50. (This is the rate the Government officials in management cadre are paid when using private vehicles when on official duties). Official transport should be sought from the Regional Education Directorate in case the staff member/School Board member travels on invitation from the Regional Education Directorate or represents the region.**

2.1.7 Cluster Activities

The staff member attending school/cluster/circuit related activities may receive rate 3 as per Government Subsistence and Travel rate 3 for incidental expenses such as food for lunch, provided this is budgeted for and rates pre-approved by the School Board during a meeting and indicated in the Internal Financial Policy. Proof of attendance/invitation of such activity must be **attached to the acknowledgement form that indicates that the official received the funds.**

2.1.8 Relief Teachers

Pending the review of the relief teacher strategy and deviation and or amendment to PSSR D.II/I/21/21.1-Employment of leave substitutes (Relief Staff), the Education Grant should **not** be used to pay relief teachers.

Note that other sources of funding contributing to the School Development Fund, such as school based fund raising activities and donations may be utilised for payment of only short term relief teachers against a rate which is pre-approved by the school board.

2.1.9 Health and Hygiene

Dignity project which also includes HIV and AIDS related activities explicitly allocate N\$5.00 per learner as well as top-up on cleaning materials, soap, hand & surface sanitisers liquid, toilet papers, hand washing liquid, sanitary pads, health & medical support (First Aid kit) clinic fees etc. should be administered from this vote.

Note should be taken that the budget with regards to the provision of sanitary pads should strive to be self-sustainable in the sense that the school will provide maximum start up amount of N\$2000 and – N\$3000 for primary and secondary schools respectively for starting an income generating project (Dignity Project) for the purchasing of sanitary pads and other essential toiletries for learners in need. These amounts can be reduced proportionally depending on the number of the learners at the school and **total Education Grant (EG) amount received by the school. The once off start-up amounts must not exceed** the amounts mentioned above. Depending on the socio-economic circumstances, learners will be required to pay a minimum amount of N\$1.00 or N\$2.00 for items provided when in need during school hours. Collected money must be deposited and recorded as an income on the subdivision of “HEALTH AND HYGIENE”. A list of beneficiaries must be kept on a monthly basis for control and bookkeeping purposes.

2. 1.10 Continuing Professional Development (CPD)

All the activities that are geared towards staff development and initiated by the school; mainly school based in-service trainings should be covered under this subdivision. No team building activity should be embarked upon without the approval from the Regional Director of Education, Arts and Culture. No team building exercise should be conducted in hostels, lodges, outside town or abroad even if approval is granted by the Regional Director of Education, Arts and Culture, unless it is financed through an outside source(s).

2.1.11 Namibian School Feeding Program (NSFP)

Non-food items like pots, crockery and cutlery only at schools where the Namibian School Feeding Program is officially implemented, must be procured under this budget line.

2.1.12 School Board

Refreshment and transport for School Board related activities. In case a School Board member is required to travel out of town or to a venue outside his/her residential town/village public transport rate must be paid but if he/she uses his/her private vehicle to represent the school; the school should pay pre-approved rate as per the approved schools transport policy (not exceeding N\$3.50

per kilometre). **Official transport should be sought from the Regional Education Directorate** in case the School Board member travels on invitation from the Regional Education Directorate or represents the region.

2.1.13 Minor Maintenance

Maintenance on equipment and school vehicles for examples: leaking taps, door locks, window panes (see maintenance booklet, Annexure K). Not more than 10% of EG received should be used on maintenance of existing infrastructure. If more funds are needed, approval from the Regional Director of Education, Arts and Culture should be obtained.

2.1.14 School Fencing

Not more than 10% of the annual grant should be spend on erection or maintenance of school fencing on an annual basis over three (3) years, starting from 2018. Meaning, by the **end of 2020 academic year, all the schools must be fenced for the safety and security of learners and staff at the school.**

2.1.15 Investment Account

Money collected through donations, voluntary contribution from parents and from fundraising **activities may be invested for identified project(s) that are approved by the Regional Director of Education, Arts and Culture.** Documentary proof of investment must be submitted to the Regional Director through the Inspector of Education.

NOTE: Approval from the Regional Education Director should be sought for the construction of sheds, construction of any other room not mentioned above, installation of solar panels and team building activities.

2.2 PRIMARY/SECONDARY EDUCATION GRANT (PEG/SEG) Shall Not Be Used For The Following:

- 2.2.1 Construction of new permanent Physical Facilities or major renovations;
- 2.2.2 Provision of loans to any individual; (no start up as cash loans)
- 2.2.3 Refreshments for the staff birthdays, parties (farewell, end of year) Social events, gifts;

2.2.4 Remuneration of staff members for carrying out tasks over weekends and/or after hours.

2.2.5 Payment for sitting allowances for meetings including School Board meetings.

2.2.7 For any other activities not mentioned under 2.1 and 2.2 the school through the School Board **must first seek for the approval from the Regional Director of Education, Arts and Culture.**

3. DISBURSEMENT OF PRIMARY/SECONDARY EDUCATION GRANT TO SCHOOLS

3.1 Documentation In The Regional Directorate

The Regional Directorates, finance division and circuit offices in particular should be in possession of a file that contains the names of schools that should benefit from Primary/Secondary Education Grant. The list of the schools should contain the correct banking details for each school.

3.2 Calculation Of Amounts

All the Regional Education Directorates should use the latest 15th school day statistics to determine the number of learners per identified Schools. Based on these statistics the Regional Directorate will calculate the unit cost/amount per learner. The amount will be calculated by multiplying the unit cost per learner by the number of learners at school. The unit cost per learner payable is based on the total number of learners guided by the prevailing fiscal climate at the time of budgeting. The Regional Directorates should communicate back to head office in case of huge discrepancies in terms of number of learners and the allocated amount.

Schools with special units (also resource schools) should get triple (as per letter dated 20.10.2017) the amount per learner for the total of learners in special school stream.

Before the funds are deposited in the schools accounts, all circuits and schools should be informed in **writing of the amount that each will be receiving with an indication of learner enrolment figure that** was used to determine the amount. Separate indication of enrolment total and amount should be given for the learning support unit/special unit learners. Once the funds have been deposited in the **bank accounts of the respective schools, proof to this effect should be provided to the schools within 14 days.**

Note: In terms of amount allocated per learner, special consideration should be given to special schools as indicated above.

3.3 Schools

- 3.3.1 Schools should arrange with the bank where the account is kept that a hard copy/electronic copy of the bank statement should be provided on a monthly basis.
- 3.3.2 The school should issue a school (personalised) receipt (with the school logo, contact details etc.) to the Director of Education, Arts and Culture and submit with a copy of the bank statement that shows the deposited amount.
- 3.3.3 **Open a file for Primary/Secondary Education Grant and file the copy of the bank** statement together with the information letter from the region that indicates the calculation of the amount allocated to the school.
- 3.3.4 Towards the end of each academic year (October/November) each school should draw up a budget based on N\$300.00/N\$400.00 per capita allocation for Primary and Secondary Phase respectively.

Note that the above unit cost per learner is the minimum payable and may vary depending on the prevailing economic climate and allocation to the Ministry from the Ministry of Finance. As a result, revision of the budget may be needed after the allocation is received by the schools through their respective Regional Education Directorates. The School Board should present the budget to the parents for input and approval. The signed original copy **should be filed in the finance file and the copy** forwarded to the Inspector of Education. The existence of an approved budget authorizes expenditure otherwise all the expenditure that is done in the absence of such document is unauthorized and the principal will be held accountable for the funds.

4. BUDGET

What is a budget?

A budget is a Financial Plan that indicates expected income and expenditures and sets out an organization's expected future results in monetary terms. It is

Framework/Plan indicating how the **finances should be managed within a specific period of time, normally a year**. It can be described as a plan for allocation of expenditure and income to achieve the set objectives of the school (See copy example of budget attached – **Annexure A**). The budget should be in line with the vote as prescribed by the national guidelines.

5. FINANCIAL YEAR FOR BENEFICIARY SCHOOLS

Note should be taken that with the Primary/ Secondary Education Grant the financial year will be different from the academic year. The academic year runs from January to December whereas the availability of Education Grant will be applicable to the financial period of Government from April to end of March the following year and must be aligned to the financial period of the Government. (Although the Education Act 2001,(Act No. 16 of 2001) prescribes end of Academic year 31 December it is recommended that the bookkeeping/ financial year commence on 01 April and end on 31 March the following year). Thus, calls for the alignment of the budget **allocation and execution according to the financial year of the Government**. Only 1/3 of the funds may be available around end of April to July and the rest may be availed during late July to middle of August.

Beneficiary schools should ensure that they close off the academic year with at least 1/3 balance of Education Grant funds allocated for that year in order to be able to function fully until money is deposited in April and August respectively.

6. BOOKKEEPING AND CONTROL MEASURES

The Principal and the treasurer must maintain effective control measures with regard to the following:

6.1 Prescribed documentation:

Each school should be in possession of the following registers:

- 6.1.1 School (Personalised) Receipt books
- 6.1.2 Bank Deposit book
- 6.1.3 Cashbook

- 6.1.4 Petty cash book
- 6.1.5 File for Receipts received
- 6.1.6 File for Bank statements
- 6.1.7 File for keeping invoices and proof of Payment
- 6.1.8 Expenditure authorization by School Board (budget)
- 6.1.9 File for all quotations
- 6.1.10 File for payment request forms
- 6.1.11 Register of Assets/Asset Register
- 6.1.12 File with printed EFT trail reports
- 6.1.13 Commitment Register

6.2 Handling of receipt books

All school (personalised) receipt books and deposit books must be locked up in a strong room or a safe or a lockable steel cabinet. All the extra receipt books that are not in use should be numbered and also locked up in a safe place.

The used receipt books should be handed in to be locked away safely for inspection and auditing purposes etc. All schools are advised to use the personalized receipt books instead of the normal ones that anyone can buy from any shop outlet, (see example of personalized receipt - **Annexure B**).

Never allow more than one (1) receipt book to be in use unless the decision was taken for different officials to issue receipts per grade due to the size of the school.

Source documents should remain at the School premises at all times.

6.3 Collection of funds

Receipts should be issued for:

- a) Contributions received
- b) Fundraising events and monies raised
- c) Cash donations received
- d) **Direct bank deposits** (only when proof of deposit slip is received/or confirmation from the Bank)
- e) Internet transfers (only when amount is shown on the bank statement)
- f) Any other money received.
- g) Receipts are issued in duplicate with carbon paper in serial number.
- h) **No alterations to the name or amount in words or figures are permissible.**

- i) If error is made, that receipt and duplicate should be cancelled and another receipt issued. The original of a cancelled receipt with its duplicate must remain intact in the receipt book. The duplicate of a receipt issued must also remain in the book for inspection and auditing.

6.4 Control of funds received and deposit thereof

6.4.1 Reconcile monies received with the receipts

6.4.2 This reconciliation should be done daily/weekly depending on how frequently the school receives the money and the amounts received.

6.4.3 **All money received must be banked on the date receipt or on the next official working day.** Deviation from banking on the same day or next official working day must be approved by the Regional Director and must only be in extreme cases such as unavailability of bank facilities.

6.4.4 **The treasurer/ assigned staff member** that does the control/reconciliation of money received against the receipts should draw a line under the last entry, total it and co-sign it off **together with the secretary or the person that collects the payments/cash.** In addition, he or she should issue a normal receipt (available at suppliers etc.) to the **Administrative Officer or the person that has been collecting the funds and** issuing the receipts to the payee. (NB: Every time money is received, a receipt must be **issued**). **The Administrative Officer should have a book in which s/he paste** these receipts as evidence that she/he has handed over such an amount to the treasurer/financial officer **on such a date. This receipt can also serve as a back-up evidence** to validate the collected and deposited amounts during a certain period. The deposit slip must be prepared immediately and money should be deposited in the school account.

6.4.5 Upon return to the school, the official should hand over the deposit book to the treasurer/ assigned staff member.

7. REQUEST FOR PAYMENT

7.1 Authorization of payments

- 7.1.1 No unbudgeted expenditures should be made without the approval from the School Board. If the School Board cannot convene a meeting in a reasonable time, the chairperson must approve and the approval of the chairperson must be put on the agenda of the next School Board meeting for endorsement.
- 7.1.2 No instalment sale transaction may be entered into or on behalf of the Fund (except in the case of leasing the photocopier machine). In case of any other, written approval should be sought from the Minister of Education through the Regional Education Director.
- 7.1.3 School management and school boards are encouraged to use the Public Procurement Act 2015, Act No. 15 of 2015, during all procurements. Section 38 for small value procurement and Section 32 for requests for sealed quotations will mostly apply to the procurement done in schools.

7.2 Supporting documents for payments

- 7.2.1 The person to procure goods or services should complete payment request form that should be signed by the designated officials for authorisation. **(See Annexure C)**
- 7.2.2 The assigned staff member should verify request against the budget and issue and initiate the electronic payment of the requested amount. Schools without electronic banking accounts should use the cash withdrawal forms from the bank the same way EFT payments are used. In this case any two (2) from the three (3) authorized signatories should sign the withdrawal form. **(Blue wallet mode of payment can also be used provided the payment request and the form for funds received is effectively used for the transactions that cannot be catered for by EFT).** However, the use of Blue wallet/ Easy Wallet/Ewallet payment **must not** be encouraged but rather used in exceptional cases only.
- 7.2.3 The payment request form must always be completed for both electronic transfer **mode or cash withdrawal payment and be filed in the appropriate**

file in the sequence of numbers indicated on each form with the latest on top.

7.2.4 Once the payment has gone through the Bank, a cash withdrawal duplicate form or a printed proof of payment (EFT) should be attached on the payment request form in the file. The same applies to the school with savings account; copy of withdrawal form should serve the same purpose as the cheques used to serve.

7.2.5 It is advisable to attach the proof of payment and invoice on the request for payment form and to file as in 7.2.3.

7.2.6 Invoices and quotations must be kept for auditing purpose.

7.2.7 All expenditures should be accompanied by valid invoices.

7.2.8 In case of individuals that cannot issue an official invoice to the school for the services rendered, a designed acknowledgment form should serve as supporting document/evidence for payment received. **(Annexure D)**

8. BOOKKEEPING AND BANK RECONCILIATION

All the schools must operate their funds under the School Development Fund account of which education grant, donations, fundraisings, etc. will be administered as different votes under the SDF account.

8.1 Cash Book

A Cashbook must be kept to record the income and expenditure. At the beginning of each month, bank reconciliation must be done.

- *Check the entry in the cash book against the bank statement.*
- *Tick off to determine whether all the deposits/EFT payments have gone through the bank.*
- *Take note of wrong transactions as well as the legitimate ones that do appear, but did not go through the bank and reserve funds for that or make an enquiry at the bank and record it.*

8.2 Petty Cash Book

The school should have a petty cash box where the money can be locked safely. In case of absence of the Administrative Officer / delegated Officer/assigned staff member must count and sign off the cash to the next person and recount again upon the return of the Administrative Officer / delegated Officer/assigned staff member. The same principle of cash register also applies here. Income and expenditure should be recorded following the examples of **Annexure E and F** (See examples attached). (Spot count of Petty Cash to be done regularly by the Finance Committee).

8.3 Commitment Register

All the schools that are making use of electronic banking system should always print the trail report or statements or proof of payment and attached or file each in its relevant file on/in appropriate document or file. Schools with computers must open a commitment register on a computer if possible to record all commitments. This register must be printed on a monthly basis, reconciled, signed by treasurer and filed. This is to avoid excuses like: the computer crashed or has a virus etc. when control issues come in place. (See example attached – **Annexure G1 – G2**).

9. FUNDRAISING ACTIVITIES

- 9.1** Schools may conduct fundraising activities (bazaars, sales and collections) in order to **finance other activities that cannot be catered for by Education Grant.**
- 9.2** Keep records of all income and expenditure.
- 9.3** **Compile and submit a detailed financial report on total received and amount spent.**

10. DONATIONS

10.1 Declare all donations to the Regional Director of Education, Arts and Culture.

State the following:

- a) Reason for donation
- b) Details of a donor
- c) Nature of donation
- d) Value of donation
- e) Conditions attached to donation, if any.

10.2 Donations in the form of materials and equipment

10.3 Separate stock register should be kept for donated items for School Board control

11. ASSETS/ STORE REGISTER/ INVENTORY AND ANNUAL STOCK TAKING

11.1 Principal should keep assets/stores register/inventory and control the:

11.2 Use of assets/stores and equipment by means of issue/receipt and voucher

11.3 Annual stock taking

- a) Must be conducted not later than 30 November each year
- b) Stock taking certificate should be issued**
- c) Copy of the stock taking report should be provided to the School Board and Regional Education Director of Education, Arts and Culture
- d) Official handing over should take place with the change in leadership.**

12. AUDITING OF THE ACCOUNTING BOOKS

School Board should appoint a qualified, registered auditor who will audit the books annually and submit the report to the School Board for onward submission to the Director of Education of Education, Arts and Culture. This person should be acquainted with the Policy issues regarding School Development Fund and Education Grant as well as the Education Act, (Act No. 16 of 2001), and should not have any **financial interest in the affairs of the school**. The financial books must

be audited during the 3 months after the end of financial year (April – June). All the votes/ funds under the School Development Fund (SDF) account, including education grant must be audited and reports forwarded to the Regional Director of Education, Arts and Culture through the Inspector of Education.

13. EDUCATION ACT, 2001 (ACT NO. 16 OF 2001) AND ITS REGULATIONS

Until such time that the Education Act 2001 (Act No 16 of 2001) is repealed, any reference made in the Education Act 2001 (Act No. 16 of 2001) to SDF shall apply *mutatis mutandis (equally)* to the Education Grant, unless expressly stated **otherwise herein.**

All the schools that are beneficiary to the Education Grant, hence should ignore Section 25 from (7)-(13) as it is no longer applicable:

- a) Establishment of School Development Fund in particular the payment of fees by the parents.
- b) Full or partial exemption.
- c) Application to the Education Development Fund to compensate for the exemption.
- d) Exclusion of the learner from taking part in any activity due to non-payment of School Development Fund.
- e) Review of School Development Fund due to high amount charged.

14. SCHOOL BOARD

The custodian of the School Development Fund at school level, which is the School Board, is required to ensure that funds are administered correctly with proper bookkeeping. The School Board should appoint in writing the person who will: Collect the funds on behalf of the School Board, mostly the **Administrative Officer or any delegated staff member at the school; serve as the treasurer/assigned staff member, the control officer that will reconcile the cash received with the receipts issued as well as the deposits to be made. The School Board should also ensure that a budget is drawn and approved and that financial reports are provided to parents at a parents meeting once per trimester.**

15. BROAD CONTROL AND RESPONSIBILITIES

The School Board of each state school has the responsibility to exercise broad control over the proper administration of the School Development Fund including Education Grant within the parameters of the Education Act, Regulations and **Guidelines to the benefit of the learners and the school**. However, principals are responsible for the day-to-day administration of such funds and account.

Caution:

The School Board should avoid the situation where only one official receives the money, issues the receipts, deposits the monies received and do bookkeeping. This can easily lead to embezzlement or malpractices and inaccurate bookkeeping or disappearance of evidence.

16. DISCREPANCIES DETECTED DURING THE PAST YEARS WITH HANDLING OF SCHOOL DEVELOPMENT FUND

(Most common examples are included to assist the schools to avoid repeating the same mistakes).

- a) **Principals and financial committees do not control and monitor, thus funds are mismanaged** and serious cases have been reported.
- b) Budgets not approved by the School Boards.
- c) Expenditure incurred without appearing on the approved budget.
- d) No proper bookkeeping, transaction not entered into the cash book.
- e) **Documents not properly filed.**
- f) Expenditure not incurred according to budget subdivisions (“pool”).
- g) Expenditures incurred from depleted/not budgeted subdivisions, without approved “virementation” by the School Boards.
- h) **Financial Reports not provided to the School Boards/Staff/ Parents and Inspectors of Education.**
- i) Financial books not audited annually.

- j) Schools operating on overdraft accounts.
- k) Loans/ gifts given to staff members.**
- l) More money spent on activities other than activities for the enhancement of teaching and learning. Some schools opened accounts at shops like Spar, Shoprite, Pep-stores etc. and procure items not relevant to the school set up.
- m) Cash on hand spent on i.e. food for learners, transport etc.-recipient not signing for cash received.
- n) Teaching and learning materials not bought from the funds, although budgeted for.
- o) Supporting documents for items purchased not available. (Mostly payment request forms not completed but payments done.
- p) Only part of money collected is deposited and the rest “used as petty cash” to pay for expenditure incurred.
- q) Money not regularly deposited, therefore, interest lost.
- r) All financial matters left alone to the Administrative Officer.**
- s) Funds used as cash loan start up.
- t) The biggest contributor for mismanagement of funds is some school principals who overrule **School Board chairpersons/ Administrative Officers** for payments of **unplanned/unauthorized expenditures** and as a result creates loopholes that are being capitalized on by the Administrative Officer etc. for embezzlement.

Based on the above findings Regional Offices should embark upon training of school principals, administrative officers and School Board members, on policy issues, online banking as well as basic bookkeeping, collecting, handling and depositing of SDF and EG. Newly appointed principals should be trained as soon as possible. If possible liaise with the officials from the local banking institutions to get a time slot on the training program for assistance in online banking issues.

17. REPORTING

As far as the administration and execution rate of the Primary/Secondary Education Grant/ SDF is concerned, all the beneficiary schools must submit the

financial reports that indicate the income, expenditure and execution rate per subdivision to the School Board that will verify the income and expenditure against the approved budget. **The financial reports should be signed by the School Principal and the Chairperson of the School Board, and then be submitted to the office of Regional Director of Education, Arts and Culture through the Inspector of Education. (See reporting templates for uniformity; please do not change the templates or order of the votes - See Annexure H-J)**

Financial Reports should be forwarded to the Inspector of Education on a trimester basis of which circuit summary should be made for each circuit. **The Deputy Director of PQA in each region should ensure that the respective circuit reports are consolidated into the regional report for submission to the Head Office through the office of the Director of education, Arts and Culture.** Feedback should be provided to the schools by the Inspector of Education.

The Regional Director of Education, Arts and Culture may assign an official who should inspect whether the expenditures are in line with the requirements.

18. RESTRICTIONS

School Boards must ensure that the schools do not operate the School Development Fund including the Education Grant on an overdraft facility.

19. SCHOOL DEVELOPMENT FUND & EDUCATION GRANT GOVERNING DOCUMENTS

As per Constitutional Provision *“all persons have the right to education and the Government shall provide reasonable facilities to render effective this right for every resident within Namibia, by establishing and maintaining state schools”*. In addition to the Constitutional Provision, Namibia committed itself towards Education 2030 under the Sustainable Development Goals (SDG) 4.

Furthermore, the Cabinet approved the abolishment of compulsory parental contributions towards the school development fund as from 2013 and 2016 for

Primary and Secondary Schools respectively. This decision is in line with our national and international agreements which guided the process.

These include:

- The **Ministry's Strategic Plan** calls for *“provision of accessible and equitable inclusive education at all levels”*
- Namibia's **National Agenda for Children: 2012 -2016**, calls for *“all children to access quality secondary education and vocational education”*
- **The SADC Protocol on Education and Training** that states clearly those member countries should provide at least nine years of free and compulsory education.
- **African Charter on the Rights and Welfare of the Child**, “Article 11: *“Every child shall have the right to education. State Parties to the present Charter shall take all appropriate measures with a view to achieving the full realization of this right and shall in particular:*
 - (a) Provide free and compulsory basic education;*
 - (b) Encourage the development of primary/secondary education in its different forms and to progressively make it free and accessible to all”*

The State Finance Act 1991, Act 31 Of 1991 / Treasury Instructions Section 24/Revenue Instructions and Education Act, (Act No. 16 of 2001) (some sections as indicated in the guidelines), it's Regulations and Formal Education Circular 7 of 2015 remain applicable.

In Annexure K you find the Maintenance Manual for schools.