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ACCOUNTING RECORDS

The accounting records must be kept in accordance with Venezuelan law.

The accountant or person delegated by the Board must prepare a balance sheet and income statement monthly on a timely basis. These statements must be compared to budgets and presented to the Legal and Finance Committee and significant variations must be explained and presented to the Board.

At each fiscal year end, financial statements must be prepared including balance sheet, income statement, cash flow statement, and accompanying notes.

The final audited financial statements must be made available to parents at least one week before the AGM. A letter will be sent to parents and interested parties by the Head of School informing them of how to access this document.

Copies will be available for distribution at the AGM.

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ANNUAL BUDGETS

The School is a non-profit organisation. The Board recognises that money and money management comprise the fundamental support of the whole school programme. To make that support as effective as possible, it is the policy of the Board to:

1. Encourage advance planning through the best possible budget procedures;
2. Explore all practical sources of income;
3. Provide policy guidance to budgeting and management of School finances, so that adequate financial strength is maintained
4. Expect top quality accounting and reporting procedures (internal and external);
5. Maintain the level of unit expenditure needed to provide high quality education.

It is the Board's responsibility to approve the annual operating and Capital budgets for the ensuing year for the period September until August. The budget should be adequate to finance ongoing programmes, provide for additions or changes dictated by the projected needs of the School, and include a contingency of 5% or more to allow for the uncertainties of forecasting.

Any surplus funds shall be invested in order to maximize the return to the School, with a creditworthy lending institution, minimizing risk.

Before the budget is adopted, the Board's Legal and Finance Committee shall study the School's programme in its relation to the present and projected needs of the students, the parents, and the community.

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AUDITS

The Board, on the recommendation of the Treasurer, will select a firm of accountants to carry out the audit of the accounts as required under Article 7 of the statutes. If necessary, the Board will approve the fee for their services but every effort should be made to obtain these services at no cost.

The audit will consist of an interim and final examination. Subsequent to the interim examination, the auditors will make any comments necessary for desirable improvements in internal control and accounting procedures. The Business Manager replies to these comments, and it is his/her responsibility to ensure that any agreed improvements are effected. The comments and replies are submitted to the Board upon receipt.

The Business Manager will provide any assistance required by the auditors, and in particular will prepare:

1. A reconciliation of tuition fees and bus fees billed against numbers contracted, using the population analyses prepared by the headmasters secretary;
2. Closing stock sheets and fixed asset register.

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AUTHORISED SIGNATORIES

All cheques must be counter signed by two authorised signatories. Authorised signatories can be full Board members and the Head of School. It is the responsibility of the signatories to ensure that each payment complies with the disbursement procedures and that the relevant paperwork is complete and accurate.

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BAD DEBTS

Every reasonable attempt will be made to recover outstanding debts, including recourse to the law, if the debt is sufficiently large to warrant the expense. This procedure must be documented and reported to the Legal and Finance committee. Having exhausted reasonable collection efforts, the decision to write off a bad debt must be taken by the Legal and Finance Committee and the decision advised to the Board.

Cross Refs.: Non-Payment of Tuition and Fees

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BUDGET PREPARATION

The preparation of the budget is the responsibility of the Head of School, after consultation with the Legal and Finance Committee and representatives of the professional staff. The preliminary budget shall be reviewed by the Finance Committee, prior to its submission to the full Board.

Professional staff salaries form the largest expenditure in the budget. Recognising this, the Board at its March meeting of each year shall approve salary schedules for the ensuing school year. These scales will be used in the preparation of the budget for that year.

Adoption

The Board shall approve and adopt the budget no later than April in the prior academic year

Amendments

Amendments can be made at any time to the approved budget. The Legal and Finance Committee shall review proposed amendments, before they are submitted to the full Board.

Funds Transfer

The Head of School has the authority to reallocate contingency money among the various cost centres. Other transfers require Board approval upon the recommendation of the Legal and Finance Committee.

Budget as a Spending Plan

The approved budget shall be considered as a controlled spending plan for the ensuing year. All expenditures in excess of approved authority limitations must have prior approval of the Board.

Cross Refs.: Authorised Signatures
Line Item Transfer Authority

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CASH IN SCHOOL BUILDINGS

A petty cash fund of \$500 equivalent will be kept in school for disbursement for small items, and replenished when the fund reaches \$100 equivalent. In addition the School Nurse will keep a petty cash fund for the purchase of urgent local supplies.

The petty cash must be kept in a locked cash box in the school safe. Staff may make purchases up to the value of \$25 equivalent without prior agreement and will be reimbursed on production of a receipt for goods or services. A purchase order must be completed for purchases related to subject areas or school sections and attached to the receipt.

Disbursement from Petty Cash fund in excess of \$25 equivalent must be supported by an invoice/purchase order and approved by the budget holder and either the Business Manager, head of School or the Deputy Head of School.

In the interests of security, cash in the school should be kept to a minimum, excluding petty cash, and always in a locked safe.

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DISPOSAL OF SCHOOL PROPERTY

A proposal to dispose of any School property shall be made by the Head of School for approval by the Legal and Finance Committee.

Assets within a value of more than \$1,000 should be offered for sale for at least 7 days. The highest bid received should be accepted.

The disposal of assets with a value of over \$10,000 must be approved by the Board.

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EXPENSE REIMBURSEMENTS

Personnel and Board officers who incur expenses in carrying out their authorised duties will be reimbursed upon submission of properly filled-out and approved vouchers and such supporting receipts as may be required by the business office. Reimbursement for travel and expenses must be within previously agreed limits based upon quotations obtained for flights, accommodation and a reasonable per diem. This agreement must be confirmed in writing. Any advance must be approved prior to departure and fully accounted for on return. All claims must be settled within 15 days.

Expenses may be incurred and approved only in line with budgetary allocations for specific types of expenses.

Expenses for travel will be reimbursed when the travel has appropriate advance authorisation and sufficient budget coverage. The Head of School may grant authorisation when the travel expense has not been anticipated and incorporated in the operational budget of the particular programme involved. In some cases, prior authorisation from the Board may be sought.

Persons who travel at School expense will exercise the same economy as any prudent person travelling on personal business, and will differentiate between expenditures that are properly for business and those that are only for personal purposes.

The Head of School will be reimbursed for School related entertainment expenses, up to \$1,000 per term, upon receipt of invoices and an indication of the persons entertained.

A member of the Legal and Finance Committee or the Chairman of the Board should approve reimbursement of expenditures incurred by Board members on behalf of School business. No Board member can approve his or her own expenses.

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FOREIGN CURRENCY CONVERSION

The School holds foreign currency accounts to meet foreign currency commitments such overseas orders for educational resources, and to reduce exposure to devaluation of the local currency.

Amounts of foreign currency will be transferred to local currency in order to fund local currency expenses as needed. School funds in excess of one month's operating expenses should be held in foreign currency. All transfers between accounts shall be authorised in accordance with Board policies.

Cross Reference. Authorised Signatories

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FUND RAISING

Fund raising may be undertaken by the following groups within the School:

A. An internal School grouping consisting of a class, several classes or the entire School, organised, for the purpose of raising funds, into a temporary organisation which will disband at the completion of the project;

B. Internal School associations organised annually, with a specific function to perform within the School (for example, a Student Council);

C. A formal School-Parent Association organised in accordance with Board policy.

Categories A and B must follow Method 1 in their management of funds; category C may select either method 1 or Method 2 (see below).

Management of Funds: Method 1

Organised fund raising projects falling into categories A and B are guided by the following rules:

- Each fund raising venture must have a stated goal, and must be approved by the Head of School.
- Collection, receipting, and disbursement of funds are controlled by the responsible administrator delegated by the Head of School.
- Accounting of all funds must be shown in the School books.
- Funds must be accounted for.

Management of Funds: Method 2

- Fund raising ventures must have a stated goal, and must be selected from a list of priorities determined co-operatively by the Association and the School staff.
- Collection, receipting and disbursement of funds are handled by the Association.
- All accounting of funds must be shown in the Association's financial records, and must be open to audit.
- Funds are deposited in a separate PTA interest-bearing account, with two signatures required for disbursement one signature from a member of the School staff, and the other from a member of the Association.

Note

There is a distinction between school fund raising and external fund raising. The role of PTA fund raising is two fold

1. School development projects undertaken to provide additional resources or facilities.
2. Community fund raising to support charities in the community as part of the school's mission to be a good neighbour.

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GIFTS AND BEQUESTS

Any gifts presented to the School should be accompanied by a letter from the donor for recognition by the Board.

To be acceptable, a gift must satisfy the following criteria:

1. It must have a purpose consistent with those of the School.
2. It must not lead to, or involve, unacceptable costs to the School.
3. It must place no restrictions on the school programme.
4. It must not be inappropriate or harmful to the best education of pupils.
5. It must not imply endorsement of any business or product inconsistent with the school's aims.
6. It must not be in conflict with any provision of Board policy or public law.

A letter of appreciation signed by the Head of School receiving the gift and/or by the Board Chairperson shall be sent to a donor.

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INCOME FROM TUITION AND FEES

Annually, at the time the operating budget for the following school year is adopted, the Board will set a schedule of tuition and other school fees for that year.

The tuition and fee schedule will be established according to estimated student enrolment, available financial resources, and budget requirements. In order to supply the Board with the necessary background data it is the responsibility of the Head of School, in conjunction with the Legal and Finance Committee, to submit, for Board review, an annual report on community growth and enrolment projections and an overview of the School's financial status.

The Board will set such additional fees and charges as may be required to operate the school programme.

The administration will develop, and the Board will approve, procedures and rules regarding the payment of tuition and miscellaneous fees set by the Board. Before a student is admitted, parents will be advised of all fees that will be charged during the time their child attends the School.

Tuition and school fees will be reviewed by the Board annually, and may be adjusted in individual instances in accordance with established Board policy.

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INSURANCE POLICIES

The Legal and Finance Standing Committee will ensure that the School property is insured against catastrophic loss; health insurance is secured for all members of staff; accident insurance for children an staff and liability insurance for all Board members.

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INVENTORIES

The Business Manager will hold all inventories.

Key Stage Co-ordinators are responsible for maintaining inventory records.

A Fixed Asset Register (FAR) must be kept and updated at the end of each term or as new FA's are purchased. The threshold for a FA IS US\$200. Each item must be individually labelled. The Head is responsible for delegating the task of maintaining the FAR's.

Inventory checks must be carried out annually.

The register must include date of purchase, quantity, cost, and location, and track any changes of location.

Classroom Resources

The class teacher must make classroom inventories at the beginning of the academic year. This will include FA's. The Key Stage Co-ordinator one week before the end of the academic year or one week before the class teacher leaves post will check each inventory.

The Co-ordinator will report to the Head before the end of the academic year.

Cross Refs.: Disposal of School Property

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BOARD'S LEGAL COUNSEL

1. An attorney may be retained by the Board to serve as the attorney for the School.
2. The attorney should be available for telephone consultations on general routine matters relating to actions or decisions of the Board. He or she will be kept fully familiar with the legal and tax problems of the School, and his/her services will be called upon in connection with these as needed.
3. In addition, the attorney should be available to handle matters related to the collection of unpaid School fees, labour problems, claims by or against the School or its staff, insurance problems, juvenile discipline problems involving police or other public officials, and corporate and tax matters.
4. The attorney may be called upon to deal with matters relating to building site acquisition, contracts relating to building construction or renovation, and disputes with contractors. He/she may also be called upon to prepare or review contracts entered into by the Board.
5. The attorney will be directly responsible to the President of the Board, through the Head of the School. All communications should be directed to the Head, unless the President of the Board advises differently.
6. Specific arrangements regarding compensation, time sheets, expense records, and billing shall be spelled out in a written agreement between the Board and the attorney.

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LINE ITEM TRANSFER AUTHORITY

Any overspend on individual budget line items must be approved in advance by the Legal and Finance sub-committee. Amounts over \$10,000 must be approved by the full board.

The Head of School has authority to reallocate contingency money among various cost centres but decisions regarding reallocation of funds between line items, must be agreed in advance by the Legal and Finance sub-committee.

Cross Reference: Budget Preparation

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MISCELLANEOUS FEES

The Board of Directors reserves the right to levy additional fees as necessary throughout the academic year in addition to school fees for special purposes e.g. Security, building development etc. The amount of each levy will be limited to \$3000 per child in any school year. Levies above \$3000 per child per year would require the agreement of the parents at an EGM called specifically for this purpose.

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NON-PAYMENT OF TUITION AND FEES

The business office will make a maximum effort to collect overdue bills.

Whenever a student's tuition, surcharge, and/or fees remain fully unpaid within a reasonable period after a billing invoice has been presented, the student will be denied admission to classes, subject to the discretion of the Board. All students from the family that has incurred the debt will be refused admission to classes. In the event of non - payment, the student's academic records will be withheld unless a release is approved by the Board.

Cross Refs: Admission of Students

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PERIODIC BUDGET RECONCILIATION

Actual operating results should be compared to budget on a monthly basis and significant variations explained. The Board should receive these up dates as and when they are available.

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TUITION AND FEES FOR CHILDREN OF STAFF

Children of full-time teaching staff shall be exempted from tuition, enrolment or bus fees, unless such members of staff are spouses of individuals whose employers pay school fees, in which case tuition and fees shall be collected from the spouse's employer.

Children of full-time, non-teaching staff may be exempted from up to 40% of tuition, enrolment and other fees, but only with the specific approval of the Head of School.

Cross Ref: Tuition Payment and Schedules

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TUITION PAYMENT AND SCHEDULES

The Board shall establish school fees each year, as part of the budget preparation process. The Finance Committee shall recommend a tuition charge for each grade level. The tuition shall be so calculated that, based upon the enrolment projections for the budget year, estimated total tuition income shall cover the School's total operating budget.

In addition to the tuition, each student enrolling in the School for the first time shall pay an enrolment fee. These fees are non-refundable and will be credited to the School's Capital Assets fund. Revenue from this source is not to be included in anticipated revenue for the operating budget, and shall be shown on the balance sheet as part of the Capital Assets fund. No charges (other than depreciation) shall be made against this service.

The Board may approve other charges as deemed appropriate.

Payment Schedules

All tuition, enrolment, and other charges shall be payable as set forth in a payment schedule developed by the Head of School and approved by the Board. Charges for extra-curricular activities shall be paid as they fall due.

The enrolment of a student is a private contract between the parent and the School, regardless of any arrangement the parent may have with an employer concerning the payment of school fees. The parent remains responsible for the payment of all fees.

Cross Refs.: Non-Payment of Tuition and Fees
Tuition and Fees for Children of Staff

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TYPES OF AND CHANGES TO FUNDS

The Legal and Finance Standing Committee will approve the selection of banking facilities, or changes to existing accounts, prior to full Board approval, to ensure that the School's funds are invested securely and on terms most favourable to the School.

Cross reference: Authorised Signatories