EASTERN CHINESE LANGUAGE SCHOOL INC. 新金山东区中文学校

Financial Management Policy and Procedures

Document no.	ECLS-POL-02	**Version**	1.2
Policy owner	Treasurer and Principal	**Approved by**	School Committee
Date approved	25/01/2026 (v1.0)	**Next review**	January 2028
Applies to	School Committee, Principal, Operations Manager, administration staff and anyone who incurs, approves, receives or records money on behalf of ECLS	**Status**	v1.0 current; v1.2 revision for endorsement

1. Purpose

This policy sets out the controls ECLS uses to handle money: approving and paying expenses, collecting and receipting student fees, and keeping and retaining financial records. It makes sure all money is spent for proper purposes, that records explain ECLS's financial position, and that the use of Department of Education funding can be traced and acquitted.

The specific rules for spending Department of Education funding are in the **Department of Education Funding Use Policy (ECLS-POL-03)**, which should be read with this policy.

2. Principles

ECLS will:

- spend all money received for proper purposes that advance its not-for-profit objects;
- keep records that explain its financial operations and position;
- follow procedures that are effective, regularly reviewed by an independent reviewer or auditor, and designed to reduce risk through **separation of duties**;
- never leave money or valuable items on school premises overnight, or unattended during class time.

3. Bank accounts

Account	Purpose	Rules
General operating account (Commonwealth Bank)	Student fees, other income and general operating expenses	At least two authorised signatories; online banking set so that payments need two approvers
Department of Education funding account (Commonwealth Bank - designated)	Receives only Department of Education Community Language Schools per capita funding	No other money may be deposited. At least two authorised signatories. Payments only for eligible purposes and subject to Section 5.2 and ECLS-POL-03.

- Accounts may only be opened or closed, and signatories changed, by resolution of the Committee recorded in the minutes.
- Signatories must be Committee members or the Operations Manager. Two signatories who are close family members may not authorise the same transaction.
- All School bank accounts must be reconciled monthly in the financial management system.

4. Budget and reporting

- The Principal and Operations Manager jointly prepare the annual budget, including the planned allocation and use of Department of Education funding. Following receipt of Department of Education funding, the budget and planned funding expenditure are submitted to the Committee for review and approval.
- The Operations Manager reports to Committee meetings on income and expenditure against the approved budget and provides a separate financial statement for Department of Education funding. The Operations Manager prepares the required Department of Education funding acquittal.
- Annual financial statements are prepared after 31 December and independently reviewed or audited as required by the ACNC for ECLS's size. They are approved by the Committee, presented at the AGM and lodged with the ACNC Annual Information Statement.

5. Expenses and approvals

5.1 Who can approve

Type of expense	Requested by	Expense approval	Payment authorisation
Budgeted operating expenditure up to $2,000	Staff member / Operations Manager	Principal	Operations Manager and one Committee member
Budgeted operating expenditure over $2,000	Staff member / Operations Manager	Principal and Committee	Operations Manager and one Committee member
Unbudgeted operating expenditure (any amount)	Staff member / Operations Manager	Principal and Committee	Operations Manager and one Committee member
Department of Education funding expenditure	Staff member / Operations Manager	Principal and Committee	Operations Manager and one Committee member
Staff wages and teacher payments	Operations Manager (approved timesheets)	Principal and Committee	Operations Manager and one Committee member
Expense claims by the Principal	Principal	Operations Manager and Chairperson; Committee also if over $2,000 or unbudgeted	Operations Manager and one Committee member
Expense claims by a Committee member	Committee member	Principal; Committee also if over $2,000 or unbudgeted. Claimant must not approve their own claim.	Operations Manager and one Committee member (not the claimant)

5.2 Procedure for purchases and reimbursements

1. Before buying, confirm the item is necessary for the language program and has the required budget and expense approvals under Section 5.1.
2. Obtain an appropriate tax invoice, receipt or other supporting document in ECLS's name, identifying the date, supplier, description, amount and GST where applicable.
3. For reimbursement, complete the **ECLS Expense Claim Form** (name, date, description, GST-exclusive amount, GST, total, bank details) and attach every receipt or invoice. Online purchases (for example Taobao or other platforms) must include the order confirmation and proof of payment.
4. The approval must be documented and retained with the claim or invoice. Record the relevant budget category and provide the approved documents to the Operations Manager.
5. The Operations Manager arranges the payment through online banking. Payment must be jointly authorised by the Operations Manager and one authorised Committee member, subject to the separation-of-duties requirements in Section 8.
6. The payment reference, date and amount are recorded in the financial management system and supporting documents are retained with the financial records.

Payments from the designated Department of Education funding account are ordinarily limited to eligible staff salaries and wages, employer superannuation contributions and rental expenses. Any other eligible expenditure requires additional documented approval from both the Principal and Operations Manager before payment from

that account. All payments remain subject to the applicable funding conditions, Section 5.1 approvals and dual bank authorisation.
No expense may be paid without supporting documents and recorded approval. Cash advances are not used.

5.3 Timesheets and staff payments

- Teachers and administration staff submit monthly timesheets on the ECLS template.
- The Principal (or a delegate for the Principal's own timesheet) checks hours against the timetable and attendance and approves them.
- Payments are made by bank transfer and recorded against the approved timesheet. Payroll obligations (PAYG withholding, superannuation, Single Touch Payroll) are met for employees.

6. Student fees: collection and receipting

6.1 Fee setting and publication

- Tuition and registration fees, discounts and refund rules are approved by the Committee each year and published in the *ECLS Tuition Fees* notice on the school website before enrolments open.

6.2 Collection

- Fees are paid by **direct bank transfer** to the general operating account, quoting the student's name and student number, or by card at the enrolment desk (a 1.5% processing fee applies; American Express is not accepted).
- **ECLS does not accept cash.** Student fees are never deposited into the Department of Education funding account.
- Card terminals are kept by the Operations Manager and reconciled to the bank after each session where payments were taken.

6.3 Receipting and reconciliation

1. The Operations Manager matches each payment to the student record in the student management system.
2. A tax invoice is issued to the family by email, identifying the student number and name, service description, amount and relevant date.
3. Each month, student fee income is reconciled with bank statements. Unidentified deposits are followed up within 14 days. Once the payment has been reconciled, the student is added to the attendance roll.

6.4 Refunds

- Refund requests must be submitted through the School’s online Google Form within the first three weeks of the half-year, with proof of payment and all required information, in accordance with the published refund rules. The Operations Manager verifies the original payment details, including payment date and amount, and calculates the refund after deducting the $20 processing fee and the cost of classes attended, as published.
- Refunds are approved by the Principal and paid within 10 working days after the family confirms the refund amount. Each refund is recorded against the student’s account, and the approval and supporting records are retained.

7. Record keeping, retention and document management

Record	Kept by	Minimum retention
Bank statements and bank reconciliation records for all accounts, including the Department of Education funding account	Operations Manager	7 years
Tax invoices, receipts, expense claims and approvals	Operations Manager	7 years
Timesheets, payroll records and superannuation records	Operations Manager	7 years
Fee records, receipts, refunds and reconciliations	Operations Manager	7 years
Budgets, Treasurer's reports, annual financial statements, review/audit reports and Department of Education funding acquittals	Committee / Treasurer / Secretary / Operations Manager	7 years (financial statements and minutes kept permanently)
Funding applications, Common Funding Agreement and Department of Education correspondence	Principal	7 years after the agreement ends

- Records are kept electronically in a secure drive with folders by year and month (for example Finance / 2026 / 03-March). Access is restricted to authorised Committee members, the Principal, Operations Manager and reviewer/auditor as appropriate.
- Paper records are scanned and kept in a locked cabinet. Records are only destroyed after the retention period and with the Principal's written approval.
- All records must be made available promptly if Department of Education, CLV or an auditor asks for them.

8. Separation of duties: summary

- No person may approve their own expense claim. The Principal approves expenditure except for the Principal's own claims, which require approval by the Operations Manager and Chairperson. Expenditure above $2,000 and all unbudgeted expenditure also require Committee approval.
- Payments must be jointly authorised by the Operations Manager and one authorised Committee member. A claimant must not act as the Committee-member authoriser for their own claim.
- The person reconciling a bank account should not create the entries being reconciled; reconciliations are reviewed by the Treasurer or Principal.
- Where the Chairperson also holds the role of Treasurer, a different Committee member must provide the Committee-member payment authorisation for any payment involving the Chairperson/Treasurer.

9. Breaches

Any suspected misuse of funds, fraud or serious error must be reported to the Chairperson (or, if it concerns the Chairperson, to another Committee member) immediately. The Committee will investigate and, where Department of Education funding is involved, notify Department of Education as required by the Common Funding Agreement.

10. Basis and references

- CLV, *Operational and Administrative Procedures Manual* (V4, 2023), s.2.12 Finance, Money and Other Valuable Items; s.1.12 Security of Information.

- Department of Education, *CLS Accreditation and Funding Guide 2024*: s.3.3 Payment of funding (dedicated account, two signatories), s.3.8 Annual reports/financial acquittals and s.3.9 Audits and record keeping (7 years).
- Victorian Common Funding Agreement 2025–2027 (GIN13960), Items 2, 4 and 5 (record keeping, audits, repayment of funds).
- ECLS *Tuition Fees 2026* notice and Admission Guide (payment methods, refunds); ECLS Expense Claim Form.
- ACNC Act 2012 and Regulations (financial reporting); Australian Taxation Office record-keeping requirements (5 years minimum, exceeded by the Department of Education 7-year requirement).

11. Version history

Version	Date	Change	Approved / endorsed by
1.0	25/01/2026	Policy approved	School Committee, meeting of 25 January 2026 (minute ref. _____)
1.1	October 2026	Revised and reformatted: aligned with the Department of Education CLS Accreditation and Funding Guide, 2026 funding conditions, CLV manuals and current ECLS practice	For endorsement at the next School Committee meeting (date _____)
1.2	October 2026	Approval and payment arrangements revised: Operations Manager and one Committee member jointly authorise payments; budget approved after funding is received; designated funding account ordinarily limited to salaries, superannuation and rent; refunds via online form; Operations Manager reports and prepares the acquittal	For endorsement at the next School Committee meeting (date _____)