

FARMS: 2025

Financial and resource management for schools manual
ALL RELEVANT SRB INFORMATION



THE VOICE FOR NT PUBLIC EDUCATION

NTCOGSO Simplified Guide:

In response to requests from members, NTCOGSO has developed a simplified guide to the FARMS Manual.

This guide summarises key financial and resource management functions relevant to School Councils and School Boards.

For simplicity, some headings, preamble and detailed text have been removed.

Important:

Members must always refer to the full and complete FARMS Manual before making any financial or resource management decisions.

- Access the full FARMS Manual: <https://education.nt.gov.au/policies/farms-financial-and-resource-management-for-schools>
- Contact for enquiries: school.finance@education.nt.gov.au

This revised version replaces the January 2025 release and reflects updated departmental priorities, strengthened governance arrangements, and the inclusion of new chapters and checklists.

All members are encouraged to familiarise themselves with the updated FARMS Manual.

Please note: the previous version has been revoked, and only the current version should be used.

The FARMS Manual provides consistent, relevant and accurate information to support Northern Territory Government schools and school bodies in their financial management responsibilities. It remains the official mandated guideline for financial and resource management in schools.

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1. Governance and Overview

The Northern Territory (NT) Department of Education and Training (department) provides education to young Territorians from early years to adulthood in 6 regions across 1.35 million square kilometres. The department is also the registrar for non-government schools and helps Quality Education and Care NT (QECNT) regulate early childhood education and care services.

The department's strategic priorities for 2025–2028 are to:

- boost literacy and numeracy
- raise school attendance and hold parents accountable
- attract and keep our teachers
- create pathways to real jobs
- improve student wellbeing.

Parents and communities are critical in achieving these priorities. The Education Act and the Education Regulations 2015 (Education Regulations) are the laws that cover the functions of school bodies and financial and resource management in NTG schools.

Financial and resources management for schools (FARMS) manual is the official guideline for schools approved for publication by the CE under section 112 of the Education Act.

1.2. General information

The FARMS manual applies to all gazetted NT Government schools and School bodies for their financial and resource management functions, in line with the Act.

School bodies include:

- school councils – school bodies for NT Government schools that are not independent public schools (IPS)
- IPS school boards – school bodies for NT Government schools that are IPS
- joint SRBs – school bodies for more than one government school
- SMC or MSMC.

The FARMS manual does not apply to parent consultative groups. These groups do not have powers in controlling or managing a government school or its finances. These groups also don't perform any function of a School body, as explained under section 117(2) of the Act.

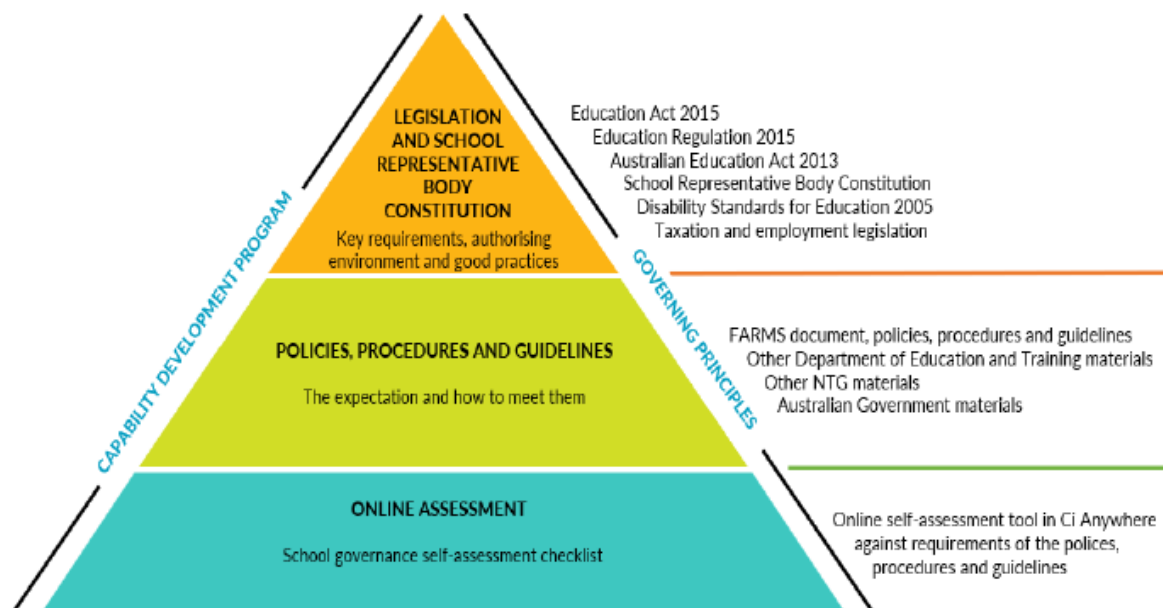
Where a School body operates with an SMC or MSMC, they do not perform all the functions of the School body. In this case, the SMC or MSMC must comply with the FARMS manual requirements.

Table 1.1: Financial and resource management functions by School body types

School body financial and resource management functions Education Act, sections 107 and 119	SRB	Joint SRB	SRB under a SMC or MSMC	SMC or MSMC	SMC with a Joint SRB
From time to time, assess these needs and make recommendations to the CE about satisfying them: - the needs of the school for buildings, facilities and equipment - the needs of students, teachers and other employees	✓	✓	✗	✓	✗
Within the scope allowed by the functions conferred on the body, determine what the money allocated by the Agency to the school is spent on, and spend that money	✓	✗	✗	✓	✓
Decide if and how community organisations can use the school's buildings or grounds when they're not being used by the school	✓	✓	✗	✓	✗
Control the school's buildings and grounds, including any work carried out on them, with the CE's written approval	✓	✗	✗	✓	✓
Control the way services of a kind prescribed by regulation are provided for the school	✓	✗	✗	✓	✓
In line with the <i>Fair Work Act 2009</i> (Cth) and relevant awards, employ people on terms and conditions are approved in writing by the CE	✓	✗	✗	✓	✓
If approved by the CE, carry out money raising activities for the school and spend that money accordingly	✓	✓	✗	✓	✗
Determine fees that may be charged for providing a student with any approved materials, services or facilities not covered by section 75(2) that a student's parent chooses to have provided to the student	✓	✗	✗	✓	✓
Seek voluntary contributions from parents of students enrolled in the school for a purpose prescribed by regulation	✓	✗	✗	✓	✓
Perform any other functions as directed by the CE	✓	✓	✗	✓	✓

1.3. School resource and governance framework

The FARMS manual is part of the school resource and governance framework. The framework includes requirements for school business operations, School body constitutions, policies, procedures and guidelines.



1.5. Overarching policy

Principals and School bodies must:

- meet the requirements as set out in this mandatory FARMS manual
- act within the governing principles and demonstrate good decision making
- meet all statutory and legislative requirements relating to school financial and resource management
- work in partnership to achieve good financial governance, including keeping each other informed of decisions and rationale
- work effectively within the total available resources of the school use school resources in a strategic manner to deliver quality education programs that meet the targeted learning and wellbeing needs of the school's student cohort
- use recurrent funding in the year provided, for that year's student cohort
- complete and implement school-wide procedures that include appropriate internal controls to make sure school resources are used as planned, in an accountable way

The department provides policy, guidance and support resources in key areas of:

Governance

Governance in all matters relating to conduct and ethical behaviour, conflict of interest, fraud control, gifts and benefits and risk management. For more information on governance, email schoolgovernance@education.nt.gov.au

Risk management and internal controls

Risk management and internal controls. For more information on risk management, email gas.doe@education.nt.gov.au

Safety management

Workplace requirements for safety management including safety of students and workers. For more information on safety management, email whs.det@education.nt.gov.au

Emergency management

Workplace requirements for emergency management is explained in the Emergency management section of the Policy and advisory library. For more information on emergency management, email emt.doe@education.gov.au.

2. Accounting

School bodies must keep records of any money received and any dealings with that money, under section 111(1) of the Education Act. These financial records must be kept in the way outlined in the Education Regulations, as stated under section 111(2) of the Education Act.

2.1. General Information

Northern Territory (NT) Government schools receive annual funding from the department. These funds are held as department-held funds (DHF). NT Government schools also have funds held in School body managed bank accounts. These funds are called school-held funds (SHF). This chapter of the FARMS manual is to help NT Government schools keep consistent financial records of their SHF.

SHF include:

- recurrent funding transferred from DHF
- other grant funding received as SHF
- fundraising
- all other funds generated by NT Government schools that must be received into school bank accounts.

All SHF transactions must be recorded in the department's enterprise financial system, Ci Anywhere (CiA), by authorised departmental personnel. These Northern Territory Public Sector (NTPS) employees may be situated within school premises or operate from regional office locations that provide support services to the school.

Where possible, school financial management guidelines within FARMS have been developed to comply with the standards of the Australian Accounting Standards Board (AASB). This chapter provides high-level information about the AASB standards and additional requirements for schools. It is intended for people who are familiar with accounting terms and practices but also includes some definitions and explanations for people who aren't. For more detailed information, refer to the relevant AASB.

This chapter outlines financial record-keeping requirements for assets, liabilities, equity, income and expenses. Schools are not required to record cost of sales separately.

2.3. School body responsibilities

2.3.1. Bank accounts

Further information regarding bank accounts can be found in the FARMS manual's Bank accounts chapter.

School bodies must:

- deposit interest earned on money in a bank account to that account
- deposit money allocated by the department to the school and money granted under section 109 of the Act, into an official bank account opened under regulation 34(1).

2.3.2. Engaging contractors

School bodies can enter into agreements consistent with the limits on powers to enter agreements under regulation 29. This means School bodies can engage contractors to perform services for schools such as cleaning and grounds maintenance. Further information can be found in the Procurement and expenditure chapter of this FARMS manual.

For financial services like budgeting and bookkeeping, School bodies must only employ NTPS employees such as an NTPS school-based business manager or an NTPS finance bureau business manager. This is to prevent a conflict of interest occurring, for example, where the service provider could manage payments to themselves through CiA.

Only in exceptional circumstances, such as workforce shortages or to cover a specific skills gap, schools may temporally outsource financial services to a qualified service provider from the Auditor and Bookkeeping Services panel NTG24-0100 under terms and conditions approved by the CE.

School bodies must:

- only engage external contractors to provide financial services once NTPS employee options are exhausted
- only engage financial services contractors in compliance with the CE's terms and conditions,
- only use the nominated panel established and administered by the NT Government
- utilise the consultancy contract form approved by the CE.

School bodies must not:

- employ a person to provide financial services except as specified above.

2.3.3. Leases

Finance leases are where schools make regular payments to use an asset, and at the end of the contract after a final, or residual, payment, the school owns the asset. Finance leases are a type of borrowing and schools must not enter into a finance lease without CE approval.

Schools may choose to use operating leases rather than finance leases. In an operating lease, the school makes regular payments to use an asset, but it doesn't own the asset at the end of the lease. Operating leases are not considered borrowing, so schools do not need CE approval to enter into an operating lease agreement.

Under the FARMS manual, the CE has approved School bodies to enter finance leases for the following items under the following conditions. Separate written CE approval is needed to enter into a finance lease that does not meet these conditions.

The CE approves School bodies to enter into finance leases for:

- photocopiers or printers
- smart boards, smart TVs or similar.

These conditions must be met for the CE approval for a finance lease to be valid:

- the finance lease terms and conditions must not include a guarantee or indemnity
- the leased asset must be insured to cover the full payout cost of the contract if the asset is lost, destroyed or unrepairable
- the lease expense is included in the SHF budget, and the impact on uncommitted cash in the current and future years of the lease is considered
- the correct accounting treatment is used to account for the lease, further information can be found in this chapter.

2.3.4. Limits on powers to enter into agreements

A School body is a body corporate able to enter into agreements and acquire, hold, deal with and dispose of real and personal property, as explained under section 106 of the Act. Real property is land, and anything attached to the land, like buildings. The school site is an NT Government asset, not an asset of the school. Personal property is property owned by individuals and regulation 29 limits some of the powers of a School body to enter into agreements.

School Management Councils (SMC) and Multi-School Management Councils (MSMC) can enter into agreements on behalf of School bodies.

School bodies must:

- gain CE approval every time it wants to:
 - borrow or lend money, this includes ordering and using credit cards acquire or dispose of real property
 - dispose of personal property
 - give an indemnity or guarantee
 - enter into a contract or other arrangement to build or improve a building or other structure on the land
 - enter into funding agreements other than those specified in the FARMS manual's Funding – Government, Funding – Self Generated and Funding – Additional Sources chapters
- consider the use of independently obtained legal advice when thinking about entering into legal instruments such as contracts and agreements, all instruments should be carefully reviewed and assessed for risk and potential tax implications before being signed.

If School bodies enter or gain consent from the CE to enter, into funding agreements with an indemnity or guarantee, it is recommended that schools maintain a register for any guarantees and indemnities given.

School bodies must not:

- enter into a derivative transaction or buy or sell shares, debentures or other securities of a corporation. These are different types of financial contracts and financial interests that would tie up school funds from being able to be used to support students.

2.7. Governing legislation

2.7.1. Non-application of other Acts

The *Financial Management Act 1995*, the *Audit Act 1995* and the *Procurement Act 1995* do not apply to School bodies under section 115 of the Act.

The best practice financial management principles of these Acts are reflected throughout the guidance material for School bodies, and School bodies should have regard to the principles of these Acts.

Governing Legislation	
Audit Act 1995	https://legislation.nt.gov.au/en/Legislation/AUDIT-ACT-1995
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Financial Management Act 1995	https://legislation.nt.gov.au/en/Legislation/FINANCIAL-MANAGEMENT-ACT-1995
Procurement Act 1995	https://legislation.nt.gov.au/en/Legislation/PROCUREMENT-ACT-1995

3. Assets and inventory

A Northern Territory (NT) Government school's cash assets include all money in bank accounts, undeposited funds, floats, petty cash, term deposits, advances and investments. Further information regarding responsibilities for cash held at the school can be found in the Cash management chapter of the FARMS manual. Further information regarding the responsibilities for the school's bank accounts can be found in the Bank accounts chapter of the FARMS manual.

3.1. General information

School-held funds (SHF) are all the funds held by the school, managed by the principal, and overseen by the School body. This includes all cash assets, the school's other assets, and all its liabilities.

This chapter refers to assets, inventories, plant and equipment and excludes land, property and buildings. Further information regarding land, property and buildings can be found in the Infrastructure chapter of the FARMS manual.

3.3. School body responsibilities

3.3.1. Assets

School bodies must:

- review assets and approve a motion passed at a meeting to dispose of assets and liabilities, including,
 - school asset write-offs, and impairment, this does not include NT Government assets such as buildings and land
 - transfers of school assets to other schools
 - disposal of school assets by sale.

3.3.2. Inventories

School bodies must:

- approve a motion proposed at a meeting for write-offs of stock on hand if required.

3.3.3. Plant and equipment

School bodies must:

- approve a motion proposed at a meeting for write-offs or sale of School bodies' plant and equipment, including motor vehicles, if required
- approve a motion passed at a meeting for the School body to enter into any CE approved finance leases.

Further information regarding losses, write-offs, and postponements can be found in the Accounting chapter of this FARMS manual.

4. Bank accounts

School-held funds (SHF) are held in School body bank accounts including funds provided under section 109 of the *Education Act 2015* (the Act). All School bodies must have at least one official bank account in the name of the School body opened under regulation 34(1) of the *Education Regulations 2015* (the regulations).

4.1. General information

School bodies may choose to open additional bank accounts to meet the school's operational needs, as provided in regulation 34(1) and seek approval from the CE.

Recurrent funding transferred from the school's department-held funds (DHF) and any money granted from the department under section 109 of the Act, must be deposited into the school's official bank account, as detailed at regulation 34(4).

Under regulation 34(12), payments from school bank accounts must be authorised by at least 2 people who are registered with the bank as signatories to the accounts. Under regulation 34(10), School bodies must nominate who will be signatories to their bank accounts. Any unnecessary school bank accounts must be closed.

This FARMS chapter covers the requirements and responsibilities for bank account signatories; the opening, closing and operating of bank accounts; and specific requirements for school debit cards, term deposits and electronic funds transfers.

Further information on load and go style cards can be found in the FARMS manual's Cash Management chapter.

4.4. School body responsibilities

4.4.1. Signatories

Signatories to school body bank accounts approve payments from a nominated bank account. Approval may be made by signing documents or by approving payments in the electronic banking software. Prior to the nomination of school council signatories, the principal and school body must ensure that the below criteria are met:

The CE approves the nomination of School body bank account signatories that meet these criteria:

- holds one of these positions at the school:
 - NT Public Sector school employees, including the principal
 - the principal's manager or their regional delegate
 - the School body chair or treasurer.
- has a reasonable understanding of:
 - the school's finances, including its budget
 - their responsibilities to not authorise payments outside the budget or those that will exceed the resources of the school
 - their responsibility to declare and manage any potential perceived or actual conflicts of interest for specific payments and decline to authorise payments where there is a concern with conflicts of interest.
- is 18 years or older
- is not involved in a relationship with another signatory that could lead to a perception of collusion or undue influence
- is not declared bankrupt, is not under current investigation for a serious crime, and has not been convicted of fraud.

If a School body wants to nominate signatories to the school bank accounts who do not meet these criteria, they need written approval from the CE before giving them access to the accounts.

School bodies must:

- nominate and approve to the bank at least 3 people and a maximum of 8 people to be signatories to the school bank accounts
- make sure all nominated signatories meet the signatory criteria in the Signatories subheading in this chapter. If signatories don't meet the criteria, CE approval must be obtained in writing
- approve changes to signatories and keep records of the approvals in the motions register
- remove signatories to accounts if they are no longer required to act as a signatory or if they no longer meet the signatory criteria in the Signatories subheading in this chapter.

4.4.2. Opening bank accounts

School bodies must:

- open and maintain an official bank account under the name of the School body with an authorised deposit-taking institution (ADI) under regulation 34(1), and they may open other bank accounts with another ADI as required
- approve any new bank accounts before applications are submitted for CE approval, the School body approval must be signed by the chair and detail:
 - the ADI the School body wants to use
 - the type of account to be opened
 - why the new bank account is needed
 - support for the new bank account
 - if the new bank account will replace an existing bank account, and if the existing bank account will be closed
 - the internal controls in place at the school about procurement and existing bank accounts, these may be in the form of a school procedure
 - any other relevant information for term deposit applications
 - interest rates that apply to the product for investment accounts, including new term deposits and term deposits being extended for more than 12 months.
- in addition, if relevant, include from the School body chair for CE approval extra information for debit card applications, such as:
 - the process to transfer funds from the school's main operating account to the debit card account
 - the transaction limit and card limit for the debit card
 - whose name will be on the debit card, where it will be stored and who will have access to it.

School management councils and multi-school management councils may:

- open bank accounts with an ADI on behalf of a joint School body.

School bodies must not:

- open bank accounts without CE approval, including rolling over term deposits beyond 12 months total.

4.4.3. Closing bank accounts

School bodies must:

- review all bank accounts, including debit cards and investment accounts, to determine if they are still required. The review must be recorded in a motion passed at a meeting at least annually at the first or second meeting after the annual general meeting, additional reviews may occur during the year if required
- approve bank accounts to be closed when they are no longer required and record the motion passed at a meeting in the motions register.

School bodies must not:

- close an official School body bank account opened under regulation 34(1), without approval from the CE.

4.4.4. Debit cards

Any purchases made via a debit card must follow the School Procurement Guidelines.

School bodies must:

- determine a maximum limit for each account. This spend limit may be changed temporarily or permanently with a School body motion passed at a meeting
- ensure that any bank account linked to a debit card must maintain a low balance and reconciled each month, this balance has been set to limit risk to the school.
 - additional funding may be added to the debit card for a one-off purchase that exceeds this balance for example flights, excursions etc.

4.4.5. Term deposits

Term deposits are one way of increasing the interest earned on funds that will not be immediately used. High-yield savings accounts may also be used to increase interest earned and only need to be approved by the CE when they are first opened.

Term deposits are bank accounts, so each time a new term deposit is created, it is considered opening a new bank account and requires CE approval. Term deposits will only be approved if they are for 12 months or less. The CE pre-approves existing approved term deposits of less than 12 months to be rolled over without additional approval as long as the total term does not exceed 12 months.

School bodies must:

- record motions passed at meetings to roll over existing approved term deposits on maturity
- apply to the CE to open a new bank account if creating a new term deposit.

5. Budget management

This chapter explains the requirements for school budget management. It includes the annual budget management cycle, cash benchmark, future year reserves, school resourcing fund, and school contributions to ensure finances are managed as required by the *Education Act 2015* (the Act).

5.1. General information

Budget management is the process of assessing, setting goals, planning, acting, reviewing, and adjusting the use of resources. Schools and School bodies use school resources in a targeted way to deliver quality education programs that meet the learning, wellbeing and engagement needs of the school's students.

Each year schools develop annual budgets for January to December of the next year. There are separate budgets for school-held funds (SHF) and department-held funds (DHF). These are the school-held (SH) budget and the department-held (DH) budget. These budgets are consolidated to confirm the school is planning to manage within the total available resources and fully use the annual funding provided.

5.3. School body responsibilities

5.3.1. Cash benchmark

School bodies must:

- budget to keep the cash benchmark funds uncommitted
- budget to spend all funds above the cash benchmark according to the school's operational needs and student needs profile
- approve and record in the minutes, a motion passed at a meeting for an adjusted cash benchmark if needed.

5.3.2. Annual budget management cycle

School bodies must:

- ensure all steps for the annual budget management cycle are followed as per Table 5.2.

Table 5.2: What School bodies must do for the annual budget management cycle

What	SHF or DHF	When
Work with the principal to create a shared understanding of: - the needs of the school for buildings, facilities and equipment – the Act, section 107(1)(d)(i) - how the building and grounds of the school can be used, including facility hire costs in line with the Community use of school facilities policy and guidelines – the Act, section 107(1)(g) - activities for raising money – the Act, section 107(1)(l) - fees that may be charged to students for provision of approved materials and services or facilities not part of the standard curriculum program, including those purchased with back-to-school (BTS) money – the Act, section 107(1)(m) - annual voluntary parent contributions – the Act, section 107(1)(n) - the educational needs of the community and how the educational policies of the NT Government are to be implemented – the Act, section 107(1)(a) and (b) - the school's strategic direction to be recorded in the ASIP	Both	October and November
Endorse the SH draft budget – the Act, section 107(1)(e), approve annual voluntary parent contributions and BTS offerings	SHF	By last SRB meeting of the year
Oversee the school's performance against the SH draft budget by reading financial reports – the Act, section 107(1)(e)	SHF	Monthly, until SH budget is finalised – estimated January-March
Approve the SH budget – the Act, section 107(1)(e)	SHF	When available after budget finalisation – usually first meeting after the AGM
Provide oversight of the school's performance against the SH budget by reading financial reports – the Act, section 107(1)(e)	SHF	Monthly – estimated April- December
Approve adjustments to the SH budget if required – the Act, section 107(1)(e)	SHF	As required

5.3.3. Consolidated budget

The consolidated benchmark is the combined DHF and SHF budgets for the school. Refer to the SHF section of this chapter for more information on School body responsibilities.

5.3.4. Department-held funds budget

School bodies have no responsibilities regarding DHF.

5.3.5. Future year reserves

School bodies must:

- approve a motion to create a new future year reserve job, modifications to a future year reserve plan and future year reserve job closures, including capital works – major and minor from SHF. All motions must be captured in the School body minutes
- endorse individual future year reserves by a motion passed and recorded in the minutes at a meeting, after confirming in-principle approval by the SDE and assessing whether the purpose of the funds meet the school's strategic and operational needs, how the future year reserve funds were costed, and when the funds are planned to be spent
- monitor any funds saved for future year projects to confirm they will be spent as planned.

Further information regarding future year reserves can be found in the School Cash Policy in the PAL.

5.3.6. School contributions

School bodies have no responsibilities regarding school contributions.

5.3.7. School-held fund budget

School bodies must:

- Approve the SHF budget
- Review mandated financial reports
- Consider and approve any changes with any SHF budget revisions.

5.3.8. School resourcing fund

School bodies have no responsibilities regarding the school resourcing fund.

6. Cash management

Cash management is about how the physical cash at schools is handled. It is an operational activity managed by principals.

This chapter includes information on cash handling, receipting, custody, transporting, storing, petty cash, load and go cards, point of sale floats, temporary floats, and banking cash and cheques. These requirements protect both the school's assets and the people involved in handling the cash.

6.1. General information

Cash collected by the school is the most vulnerable asset of the school. Cash forms part of school-held funds (SHF) and is received by the school and held securely on school premises before being deposited in the School bodies' main bank account. Principals must have strong internal controls in place to minimise the risk of cash losses.

6.1.1. Cash benchmark

The cash benchmark is a calculation to determine the amount of SHF that must remain uncommitted in the SHF budget. Further information regarding the cash benchmark can be found in the FARMS manual's Budget management chapter and the School cash policy and guidelines in the Policy and advisory library (PAL).

6.3. School body responsibilities

School bodies have no responsibilities regarding cash management.

7. Chart of accounts

A chart of accounts is an index of every type of account in an accounting system. It helps to organise transactions for reporting. The Ci Anywhere (CiA) chart of accounts includes school numbers, natural account numbers, job codes and reporting categories.

7.1. General information

Every transaction in CiA must have an account string, made up of a school identifier number, a natural account number and a job code.

- School identifier numbers - each school is identified by a unique 3-digit number.
- Natural account numbers – are standardised for all schools and used to name different assets, liabilities, equity, income and expenses. For example, 61142 is the natural account number for wages expenses.
- Job codes - are unique to individual schools, determined by the school body for budgeting, and used for specific activities, such as canteen, excursions and office supplies.

7.3. School body responsibilities

School bodies must:

- keep separate records of transactions for each account the school has, through standard financial record keeping practices
- approve a motion to create new future year reserve jobs, future year reserve job name changes and future year reserve job closures.

Further information regarding future year reserves can be found in the School cash policy and guidelines in the Policy and advisory library.

8. Funding - Government

The *Education Act 2015* (the Act) and the *Education Regulations 2015* (the regulations) set out the governing arrangements for allocation of Northern Territory (NT) Government funding to schools.

8.1. General information

8.1.1. Departmental funding

School Resourcing Model (SRM) funding comes from the NT Government and the Australian Government. Schools have accountabilities under both the Act and the *Australian Education Act 2013 (Cth)*.

The department uses the SRM to calculate how much funding it provides to each school based on student needs. All SRM funding must be used by schools to match the school's student needs profile and to improve outcomes. The SRM funding must be used in the year it's provided for that year's students. This may include committing some of these funds for future expenditure related to this cohort or longer-term strategic projects.

SRM funds are provided to NT Government schools in 3 ways.

As:

1. department-held funds (DHF) – managed by the principal in accordance with the annual workforce plan
2. school-held funds (SHF) – managed by the principal with School body oversight
3. centrally held funds – managed by the department on behalf of individual schools

The money of School bodies consists of:

- recurrent funding transferred from the school's DHF to SHF, including student needs-based funding model funds, facility funding, non-urgent minor repairs (NUMR) and Program (Targeted) funding under section 110(1)(a) of the Act.
- money raised from CE approved activities to be spent on or for the school under section 110(1)(b) of the Act.
- other grants made to the school from the department under section 110(1)(c) of the Act.

8.1.2. Additional department funding – Back to school payment scheme

The Back-to-school payment scheme (BTS) is an NT Government initiative to help families with certain school related costs for educational items at the start of the school year. Educational items can only be bought from eligible students' schools. BTS funds are sent to schools to hold on behalf of eligible students until the students use it.

BTS money is not classified as school funding as the funds are provided to be distributed to parents. Parents use the funds to buy goods and services from the school, so the school's income from the sale of goods and services will increase.

Further information on the Back-to-school payment scheme can be found in the Policy and advisory library (PAL).

8.1.3. Additional department funding – Application for financial support

Schools may apply for additional financial support from the department where events have impacted the school's ability to maintain education programs.

The Application for financial support process provides schools with a mechanism to apply for

additional funding. Schools are expected to explore all available options before submitting an application. Options may include maximising student numbers in classes, prioritising classroom support and school projects without compromising teaching programs. The process is intended to provide financial support in exceptional circumstances where other support mechanisms do not apply.

The School Business Services team provides targeted resource management support to schools and facilitates the application for financial support process.

In most circumstances, funding received via the Application for financial support process, will be additional funding in the DH budget. A school will need to specify in their application if the funding needs to be received as a cash grant to support the SHF budget. Further information can be found in the Application for financial support policy and guidelines in the PAL.

8.1.4. Ownership and control of funds

All SHF in School body official bank accounts are held on behalf of the Minister as stated in regulation 34(5). School bodies oversee and control these funds by approving SHF annual budgets and monitoring performance. The principal controls the everyday management of the SHF and the DHF.

SHF are used to run the operational aspects of the school, including facilities, teaching and learning programs, employing School body employees, professional development for employees, community and student engagement, and strategic school improvement.

School bodies own and control funds raised through CE approved activities and grants from the department under section 109 of the Act when the funds are held in bank accounts other than the School body official bank account, as allowed under regulation 34(6). If the School body stops operating, or the school closes or becomes insolvent, these funds are held on behalf of the Minister to distribute as determined by the Minister.

For school bodies where a multi-school management council or school management council has been established, the school management council manages the funds on the School bodies behalf. Further information can be found in Table 1.1: Financial and resource management functions by school body types in the FARMS manual's Governance chapter.

8.1.5. Chief Executive approved activities for schools to raise money

The CE approves school bodies to raise funds to be spent on or for the school through money raising activities. No extra approvals are needed for activities that comply with the pre-approved activities requirements. The CE reserves the right to assess specific activities on their merits and can rescind approval to proceed, even if the activity is listed in the CE approved activities.

CE approved activities for schools to raise money include:

- cluster funding received from other NT Government schools to support a shared project or procurement.
- entering into grant agreements with other NT Government agencies if the School body has the power to enter into the specific agreement. Further information regarding School body limitations of power to enter into agreements can be found in the FARMS manual's - Accounting chapter.

Further information regarding CE approved activities for self-generated and additional funding sources can be found in the Funding – Self-Generated, and Funding – Additional Sources, chapters of the FARMS manual.

8.3. School body responsibilities

8.3.1. Department-held funds

School bodies may have oversight of reporting of DHF via reporting practices, however principals manage these funds in line with strategic and school priorities to improve student outcomes.

8.3.2. School-held funds

School bodies must:

- meet their responsibilities for all SHF, including funds raised by the school, as detailed in the FARMS manual
- record motions passed at meetings to: approve the fees to be charged for hiring school facilities
 - approve the voluntary contributions to be requested and how the funds raised will be spent
 - approve trading activities and how the funds raised will be spent
 - make sure goods and services are sold on a cost recovery basis, including any transport or administration costs, the sales price calculation methodology must be documented
 - approve the goods and services that will be offered for parents to buy with their Back-to-School funds
 - approve fundraising events and how the funds raised will be spent
 - approve all other activities to raise money and how the funds will be spent
 - approve future year reserves jobs.

9. Funding – Self generated

Schools may receive funding from sources other than the funding provided by Northern Territory (NT) Government under the *Education Act 2015* (the Act). Further information regarding these additional funding sources can be found in the Funding – Government or Funding – Additional Sources chapters of the FARMS manual.

This chapter explains the activities schools can do to raise money, and whether additional CE approval is required, ownership and control of funds, and funding from sources other than the department.

9.1.1. Chief Executive approval required for these activities for schools to raise money

Schools must have written approval from the CE to undertake any activities to raise money that are not listed in the subsection; Chief Executive approved activities for schools to raise money. Schools will need to apply for each individual activity, but in some cases, the CE may publish written approval that authorises more than one school to accept funds from a certain source or activity.

All activities that require CE approval must be discussed with the relevant Senior Director

Education (SDE) prior to being submitted to the CE.

9.1.2. Chief Executive approved activities for schools to raise money

The CE approves school bodies to raise funds to be spent on or for the school through money raising activities. No extra approvals are needed for activities that comply with the pre-approved activities requirements. The CE reserves the right to assess specific activities on their merits and can rescind approval to proceed, even if the activity is listed in the CE approved activities.

Table 9.1 CE approved activities for schools to raise money include:

Self-Generated funding
• hiring out school facilities or property when they are not needed for school purposes for the benefit of the whole community, refer section 107(1)(f) of the Act • accepting donations for a specific purpose of the school • operating outside of school hours care program • running a school canteen for the school's students and employees • fundraising events held on or off the school premises, including fetes, dances, concerts, other community events, and sales of food or other goods
Self-Generated funding
• fundraising raffles and events where the total value of ticket or entry fees are \$5,000 or less • selling items no longer required by the school, such as replaced IT equipment • selling goods to members of the school community on a cost recovery basis. All costs should be considered when developing the sale price and the calculations documented: ○ cost recovery may include the purchase cost of the good or service, freight, administrative costs such as cleaning, packaging, and employee costs related to managing and selling the goods and services • sales may include items and services such as uniforms, student ID cards and year books. School photos may also be sold by the school if the school has purchased photos from a supplier or has generated the photos in-house.

Further information regarding CE approved activities for NT Government and additional funding sources can be found in the Funding – Government, and Funding – Additional Sources chapters of the FARMS manual.

9.1.3. Fundraising for ticketed events

For fundraising raffles and events where the ticket or entry fees raised are over \$5,000 there are regulations under other Acts that may apply to these events, in addition to the requirement for CE approval that are reviewed as part of the approval process.

9.1.4. Fundraising from external sources

Funds received from external sources other than the department may include:

- school body Income
- student income

- other income.

This is not an exhaustive list, and further information can be found in the Funding – Additional Sources and Funding – Government chapters of the FARMS manual.

9.1.5. Money raising activity requirements

All activities to raise money by NT Government schools must meet the following requirements unless otherwise stated in writing by the CE:

- be consistent with community standards
- not reduce resources available to support students
- have a plan for how the funds raised will be spent before the activity happens and the money must be spent for the purpose it was raised, as outlined in section 107(1)(l) of the Act,

9.1.6. Ownership and control of funds

All School-held funds (SHF) in School body official bank accounts are held on behalf of the Minister as stated in regulation 34(5). School bodies oversee and control these funds by approving SHF annual budgets and monitoring performance. The principal controls the everyday management of the SHF and the Department-held funds (DHF). SHF are used to run the operational aspects of the school, including facilities, teaching and learning programs, employing School body employees, professional development for employees, community and student engagement, and strategic school improvement.

School bodies own and control funds raised through CE approved activities and grants from the department under section 109 of the Act when the funds are held in bank accounts other than the School body official bank account, as allowed under regulation 34(4). If the School body stops operating, or the school closes or becomes insolvent, these funds are held on behalf of the Minister to distribute as determined by the Minister.

9.1.7. School fees and voluntary contributions

Section 75 of the Act states that government school education is to be free, with costs of instruction in the standard curriculum program and any materials or administrative, or other services or facilities provided as part of the standard curriculum program to be met by the Northern Territory (NT).

School fees are defined as a charge to a parent. School fees can only be approved for optional extras or extra-curricular activities. Optional extras are items or services which may enhance curriculum delivery but are not essential to meet the requirements of the standard curriculum.

Voluntary contributions are a parent donation that provides additional funding for a specific purpose. School bodies determine voluntary contributions in consultation with their school community. Further information regarding school fees and voluntary contributions can be found in the: School fees and voluntary contributions policy and guideline, in the Policy and advisory library (PAL).

9.1.8. Trading activities that are not pre-approved

Trading activities are activities that require the use of the school's Australian Business Number, generate profits and must adhere to other legislation, such as taxation.

Some trading activities are included in the CE pre-approved activities. The CE must approve on a case-by-case basis trading activities such as early childhood care, opportunity shops and Out of School Hours Care.

Trading activities must:

- be approved and monitored by the School body
- benefit the school community
- operate as not-for-profit
- be identified in the financial records for all related income, expenditure, assets and liabilities
- be included in the school's annual financial audit.

Trading activities must not:

- adversely affect student's learning or the resources available to support them
- create unacceptable risks or potential liabilities to the school community, the School body, the department or the NT Government.

9.3. School body responsibilities

9.3.1. General requirements

School bodies must:

- meet their responsibilities for all SHF, including funds raised by the school, as detailed in the FARMS manual

School bodies must not:

- raise money from activities that are not approved by the CE.

10. Funding – Additional sources

Schools may receive funding from additional sources other than that provided by the Northern Territory (NT) Government under the *Education Act 2015* (the Act) or from fundraising. They may be eligible to apply for funding or grants from sources other than NT Government agencies. These include funds from other governments and philanthropic organisations and written approval from the CE is required to accept funding from these sources. Further information can be found in the Funding – Government, or Funding – Self Generated chapters of the FARMS manual.

10.1.1. Ownership and control of funds

All School-held funds (SHF) in School body official bank accounts are held on behalf of the Minister as stated regulation 34(5). School bodies oversee and control these funds by approving SHF annual budgets and monitoring performance. The principal controls the everyday management of the SHF and the Department-held funds (DHF).

SHF are used to run the operational aspects of the school, including facilities, teaching and learning

programs, employing School body employees, professional development for employees, community and student engagement, and strategic school improvement.

School bodies own and control funds raised through CE approved activities and grants from the department under section 109 of the Act when the funds are held in bank accounts other than the School body official bank account, as allowed under regulation 34(4). If the School body stops operating, or the school closes or becomes insolvent, these funds are held on behalf of the Minister to distribute as determined by the Minister.

For school bodies where a multi-school management council or school management council has been established, the school management council manages the funds on the School bodies behalf. Further information can be found in Table 1.1: Financial and resource management functions by school body types in the FARMS manual's Governance chapter.

10.1.2. Funds from sources other than the Department of Education and Training

Funds received from external sources other than the department may include:

- Commonwealth government grants
- NT Government grants – other than from the department
- 3rd party grants
- donations

Schools may receive funding from sources other than the department if approved by the CE and the funding meets the money raising requirements.

10.3. School body responsibilities

10.3.1. General requirements

School bodies must:

- meet their responsibilities for all SHF, including funds raised by the school, as detailed in the FARMS manual

10.3.2. funds received from external sources

School bodies must:

- record motions passed at meetings to:
 - approve grant applications and how funds will be spent
 - approve goods and services that can be offered to parents for use with their Back-to-school payment.

11. Hospitality and entertainment – Under development

- This chapter remains under development.

12. Human resources

School employees include those employed under the *Public Sector Employment and Management Act 1993* (PSEMA) and *Public Sector Employment and Management Regulations 2011* (PSEMA Regulations) and those employed by School bodies under the MA000076 Educational Services (School) General Staff award under the *Fair Work Act 2009* (Cth).

12.3. School body employees

School body employees are typically employed under the MA000076 Educational Services (School) General Staff award under the *Fair Work Act 2009* (Cth), which defines their employment relationship with the school.

The General Staff award covers:

- types of employment and classifications
- hours of work
- wages and allowances
- overtime and penalty rates
- leave and public holidays
- workplace delegates, consultation and dispute resolution
- termination of employment and redundancy.

This is not an exhaustive list and further information can be found under the MA000076 Educational Services (School) General Staff award. A link to this award can be found in the resources table at the end of this chapter.

School body employees are recorded in Ci Anywhere, which enables schools to process payroll on a fortnightly basis. On each pay day, schools must submit payroll data to the Australian Taxation Office (ATO) via the Single Touch Payroll system and remit employee superannuation contributions to a clearing house on a monthly schedule, ensuring full compliance with national reporting obligations.

To support schools in managing school body employees, operational funding includes allocations that may be used for membership to the NT Chamber of Commerce or an alternative industrial relations expert. This flexibility allows schools to access tailored advice and resources on employment matters, particularly those governed by the MA000076 Educational Services (School) General Staff Award under the *Fair Work Act 2009* (Cth).

13. Infrastructure

The information in this chapter is a summary of key responsibilities and does not replace the full requirements in the current department policies and procedures.

The Department of Logistics and Infrastructure (DLI) is the Northern Territory (NT) Government's construction authority and is responsible for managing building and property maintenance needs for the department, including school facilities.

An update to the policies and procedures in the school infrastructure handbook is currently

underway. Once complete, it will be linked to this FARMS manual content on the Policy and advisory library (PAL).

For more information on anything in this chapter, please contact the department's Infrastructure Planning and Investment branch (IPI) on Infrastructure.DET@education.nt.gov.au.

13.3. School body responsibilities

13.3.1. General responsibilities

School bodies must:

- under section 107(d) of the Education Act 2015 (the Act), assess the school's needs for buildings and facilities and provide recommendations
- approve the use of SHF for capital works and NUMR
- approve the use and conditions of use of school facilities for the benefit of the school community when they are not required for school purposes, in line with section 107(f) of the Act. For more information go to this FARMS manual's Funding section
- exercise general control over the buildings and grounds of the school, including, with CE consent, control of any terms and conditions approved in writing by the CE, and the conduct of work carried out in or on them, as stated in the Act, section 107(g)
- have demonstrable regard to the NT Government procurement principles during procurement activities
- comply with this FARMS manual's procurement and expenditure management requirements and project management requirements, such as delivering the project in line with its scope and allocated funding
- report R&M and UMR needs as required
- support principal enquiries for applications for capital works, minor and major, FFE and operational maintenance
- comply with GEH policies if applicable.

14. Insurance – Under development

This chapter remains under development.

15. Leasing – Under development

This chapter remains under development.

16. Procurement and expenditure

The procurement and expenditure activities for schools is governed by the *Education Act 2015* (the Act) and the *Education Regulations 2015* (the Regulations) with compliance with NT Government procurement principles.

Northern Territory (NT) Government schools use money from the government, known as public funds, to operate. Transparent and accountable practices in the use of public funds are essential to maintain the public's confidence that public funds are used responsibly. This is a higher level of scrutiny compared to private sector entities.

School bodies approve school budgets, which authorise how the school-held funds (SHF) should be spent. Procurement is a strategic process to source the goods and services approved to be purchased in the budget to make the best use of the school's funds. The procurement process maintains proper accountability and transparency for the use of public funds.

Expenditure management is a combination of processes to make sure the funds authorised to be spent in the budget are used for the goods and services procured. It includes ordering, taking delivery of goods, being invoiced and making payments.

Principals are responsible for the administration and control of the school's operations and are responsible for day-to-day expenditure management. School bodies oversee this. For large procurement activities using SHF, a School body member may be asked to participate in the process.

Expenditure management processes must ensure a separation or segregation of duties, manage any conflict of interest and ensure that no expenditure occurs without a pre-approval or purchase requisition process.

Schools have the flexibility and autonomy to decide how to use their resources and must ensure the effective, efficient, and appropriate use of school funds and resources and all school procurement activities must be undertaken in accordance with the governing principles of the *Procurement Act 1995* and the School procurement guidelines.

The procurement process in this chapter does not apply where schools:

- provide funds or transfer assets to other NT Government schools
- make payments for or relating to, payroll, taxation, superannuation or workers compensation
- make payments for employee travel booked through a mandated system
- transfer funds between bank accounts
- do not have a choice of utility provider
- use SHF for school contribution

Further information regarding procurement and expenditure management in schools can be found in the School procurement guidelines in the Policy and advisory library (PAL). A link to these guidelines can be found in the resources section of this chapter.

16.3. School body responsibilities

16.3.1. General responsibilities

School bodies must:

- monitor procurement activities and provide evidence that they have considered the procurement principles and procurement tier requirements
- monitor school expenditure against budget
- approve individual school procurement procedures in line with the school procurement guidelines
- approve individual school expenditure management procedures in line with the school expenditure

management guidelines

- approve individual school procurement delegations if they are in addition to the CiA delegations; further information can be found in: Table 2.1: Ci Anywhere school general ledger delegations, in the Accounting chapter of this FARMS manual
- declare and record any actual or potential perceived conflict of interest for specific procurement activities involving School body members and the actions taken to mitigate the risk, school body members must use the Conflict-of-interest procedures applicable to them.

17. Reporting

Reporting supports decision making and meets compliance requirements. Reports can be someone providing information, providing data in a specific format, or extracting premade reports from a system like Ci Anywhere (CiA) or MyBiz proprietary software. The data reported includes both school held funds (SHF) and department held funds (DHF).

- School bodies need financial reports to perform their duties in line with the Act. Principals and School bodies review and analyse reports to make decisions about allocating resources and providing governance over school operations.
- Principals also need reports to help them operate and manage the school. Principals must also make sure the school prepares and distributes reports to other users as required. Principals and School body members may also need to provide reports to others to meet their responsibilities.

This FARMS manual chapter explains the requirements and responsibilities for statutory reporting, mandated and optional School body reports, non-financial reporting and protecting information.

17.1.1. Statutory financial reporting

School bodies are registered Australian businesses and employers, so they have statutory, or legal, reporting responsibilities. The principal manages statutory financial reporting on behalf of the School body. This includes providing information to the Australian Taxation Office (ATO), superannuation funds, the department and employees of the school.

17.1.2. Mandated reports that must be provided to the school body

School bodies must:

- ensure the reports listed in Tables 17.1, 17.2 and 17.3 are reviewed as they become available.

Table 17.1: Mandated monthly reports that must be provided to the school body for the next meeting

Report	Details	Available
Monthly consolidated finance summary – CiA	Consolidated financial snapshot of the SHF and DHF prepared by the school	After day 10 of each month
School-held funds balance sheet – CiA	Overview of the SHF cash held, property and equipment, or school assets, and what is owed from the SHF, for example school liabilities	After day 10 of each month
School-held funds job budget variance – Executive Information Enquiry – CiA	Overview of how individual activities, or job codes, are performing against budget, including commitments such as outstanding purchase orders. Detailed comparison or summary report available	After day 10 of each month

Table 17.2: Mandated annual or irregular reports that must be provided to the school body for the next meeting

Report	Details	Available
FARMS manual updates that affect school bodies.	Updates to the FARMS manual.	As released
Annual funding allocation – MyBiz.	Provides funding allocation for the next year so schools can prepare their annual budget plan.	Beginning of Term 4 of the year prior to the funding year
SHF budget – CiA.	Plan of expected SHF income for the year using DH funding for the next year, and how it will be spent throughout the year to meet the school's operational and strategic needs.	By last meeting of the year
SHF budget revisions – CiA.	Budget updates or revisions must be returned to the school body for approval.	As required

17.1.3. Optional reports that may be provided to the school body

Table 17.3: Reports that may be provided to the school body if it requests them

Report	Details	Available
DHF Corporate expense report – MyBiz.	Monthly year to date (YTD) and month review of the department-held, school managed funds' performance against budget.	After day 10 of each month
SHF Individual job- specific cost report – CiA.	In-depth analysis of selected job codes either YTD or by period.	After day 10 of each month or as requested
SHF Profit and loss versus budget – CiA.	Overview of income and expenses against budget. Can be shown as either YTD or by period.	After day 10 of each month or as requested

17.1.4. Reports available for School bodies

Many financial reports are available to School bodies. The mandated reports that must be provided to the School bodies give them the information they need to meet their financial management responsibilities.

These mandated reports must be given to the School body members before the next meeting, unless the School body says they want to receive reports as soon as they are available.

Optional reports can also be provided to the School body. By passing and recording a motion at a meeting, School bodies can choose to receive any of these reports, and when they want to receive the reports.

The School body may change this decision at any meeting of the year by passing a new motion. Motions to change reports will take effect for the next month or next meeting, whichever comes first. Motions about reports to be provided to the School body remain in effect until the next Annual General Meeting (AGM) unless changed.

School bodies may ask to receive customised financial reports in addition to the reports listed that may be provided to the School body if it requests them. These types of reports can be time consuming to prepare, and the principal may decline to meet the request if it would create an unacceptable administrative burden.

It is recommended that the School body receives copies of the optional reports in the first or second meetings after the AGM. This will help them decide if they want to keep receiving the optional reports.

17.3. School body responsibilities

17.3.1. Non-financial reporting

School bodies and individual School body members have non-financial reporting responsibilities. Some of the main ones include:

- If School body members suspect improper conduct, they must report it under the Independent Commissioner Against Corruption Act 2017. Further information on how to report can be found on the Office of the Independent Commissioner Against Corruption NT website.
- School body members must declare conflicts of interest as they arise.
- If School body members believe a child is being, or has been, harmed or exploited, they must report their concerns under the Care and Protection of Children Act 2007. Further information regarding mandatory reporting can be found on the Department of Children and Families website.

17.3.2. Review and analyse financial reports

School bodies review financial reports to understand how the school is performing during the year compared to the School bodies approved financial plan – the budget. The reports also give a snapshot of the ongoing position of the school's finances, including how much cash is uncommitted. This can help School bodies to consider the long-term sustainability of the school's use of its resources.

School bodies must:

- review the School body financial reports to understand how the school is performing in the current

year and if its use of resources are aligned to the school's budget and strategic objectives

- pass a motion at a meeting to: receive one or more of the optional reports that may be provided to School bodies
- receive reports as soon as they are available
- nominate how the reports will be provided, for example email or printed
- alter or replace a previous motion passed at a meeting about reports provided to the School body.

It is recommended that School bodies, including finance committees, think about these questions when analysing financial reports. These questions help to determine if the school is on track and what may need adjusting:

- Does the school have enough cash to meet its current and future commitments?
 - Is the spending in the year so far consistent with the Annual School Improvement Plan (ASIP) and the department's strategy? Is the spending planned for future year projects consistent with these?
 - Is there any uncommitted cash available that could be used to support the current students at the school in this year?

18. School financial assurance

Under the Education Regulations 2015 (the Regulations), Northern Territory (NT) Government schools must maintain books of each account of the School body and make payments out of the account as authorised by the School body.

Regulation 36(d) requires each account of a School body to be audited by a person who is:

- a member of the Chartered Accountants Australia and New Zealand, the Institute of Public Accountants, or CPA Australia
- appointed to audit the account by the School body or the CE and is not appointed to audit the accounts of the School body for a term of more than 3 years.

Regulation 36(f) requires the person who audits an account of the School body to prepare a written report – the audit, that includes:

- a statement of receipts, payments and balance on hand for the account
- any other information that is directed in writing by the CE to be included
- the report is presented to the next annual general meeting held in accordance with regulation 26(1)(b) and
- a copy of the audit is sent to the CE as soon as practicable after the annual general meeting to which it is presented.

School financial assurance is a process performed by people outside of the school to review the school's financial data and confirm it accurately reflects the school's position. This type of review is normally called a financial audit.

A compliance audit examines how the school has complied with certain requirements.

School audits may be initiated by schools or the department.

The most common school-initiated audits are end of school financial year audits of the total school finances and other financial audits to comply with grant requirements. Schools may also choose to

initiate other audits to meet their needs.

The department may initiate school audits in response to:

- independent review recommendations, such as from the Independent Commissioner Against Corruption (ICAC)
- risks across all schools
- risks at individual or at groups of schools
- a scheduled program of school audits.

Most audits will look at school finances, but some audits may look at how schools comply with policies or legislation. The department uses different ways to choose schools for audits based on the audit's purpose.

Ways schools may be chosen include:

- random sampling
- previous audit results
- consultations
- data analysis
- value or volume of transactions.

This chapter overviews the requirements for compliance audits, annual audited financial reports and the appointment of auditors.

A program of compliance audits for schools is being developed. School bodies and principals must participate in these audits as required.

18.3. School body responsibilities

18.3.1. Auditors

School bodies must:

- select an auditor from the NTG24-0100 Auditors and Bookkeeping Services Panel Contract for their annual financial report audit. A link to the list of approved auditors can be found in the resources section of this chapter.

18.3.2. Annual audited financial report

When the audit is complete, the School body will receive a copy of the audited financial report, and the auditor will express an opinion about the report.

Acceptable audit opinions are either:

- an unqualified audit report
- a modified audit report, where the qualification is based on the auditor's inability to express an opinion on the completeness of the school's cash records.

If the auditor provides a modified audit report with any other qualifications, the principal must seek support from SBS-Finance, whether the School body or principal agree with the auditor's findings or not.

School bodies must:

- review the audited financial report to confirm it is a true representation of the school's income and expenditure for the year and balance of each account on 31 December of the year
- check the audit opinion is acceptable
- review the management letter recommendations and monitor the principal's implementation of the recommendations.

18.3.3. Amended annual audited financial report

- If an error is identified in the audited financial report after it has been tabled at the AGM, the updated report can be tabled for approval by members:
- at a Special general meeting minutes of the Special general meeting must be attached to the AGM minutes.
- as an out of session decision out of session decision correspondence and outcome must be attached to the AGM minutes.

19. School handover

Principals have custody of a school's financial and physical assets, which means they protect and keep the school's assets safe. Some of the school's assets are physical, like uniforms to sell to students, cameras for use in the classroom or the facilities and grounds. Other assets are financial and held in bank accounts or recorded in the school's financial records.

19.1. General information

When a principal leaves a school for longer than one term, the incoming principal must take custody of the assets. Both the outgoing principal and the incoming principal complete a School handover form in Ci Anywhere (CiA) that shows all the resources being handed over. This ensures both the outgoing and incoming principals have a clear understanding of the resources that are changing custody.

If a principal is temporarily absent from the school, a suitable person needs to take custody of the school's assets to protect the assets and to manage emergencies if required. Other employees at the school with financial and resource management responsibilities may have custody of school assets required to perform their role. When they leave, the principal will need to complete an exit checklist to ensure the return of all specified assets.

A financial handover makes sure there is a transparent and accountable record of school assets' custody. These requirements are in addition to the usual induction and entry or exit procedures for Northern Territory (NT) Government employees and School body employees.

19.4. School body responsibilities

School bodies must:

- note the completed school handover form in CiA tabled by an incoming principal
- note the completed exit checklist for school employees tabled when these employees leave the school.

20. Taxation

School bodies are body corporates under section 106 of the *Education Act 2015* (the Act) and must comply with relevant Australian Government, state and territory taxation requirements for school-held funds (SHF). The principal manages the school's compliance with taxation requirements for SHF on behalf of the School body. Taxation matters related to the school's department-held funds (DHF) are managed by the department and other Northern Territory (NT) Government agencies.

This FARMS manual chapter briefly overviews the various taxation requirements of SHF for income tax, Australian business number (ABN), goods and services tax (GST), fringe benefits tax (FBT), deductible gift recipient (DGR), pay as you go (PAYG), business activity statements (BAS), fuel tax credits (FTC), superannuation, payroll tax and MyID in schools. It also explains where there are extra requirements to comply with the relevant legislation.

The chapter is not intended to be a comprehensive guide to school taxation requirements. For detailed information on taxation information, refer to the Australian Taxation Office (ATO) website and the other relevant legislation. An overview of GST is available in the GST Manual for Schools provided to all NT Government schools. Contact School Business Services (SBS-Finance) via Jira for enquiries regarding the manual.

Compliance involves record keeping, data submissions and payments:

- for each pay run processed
- monthly
- annually
- after the end of the financial year – 1 July to 30 June
- after the end of the FBT year – 1 April to 31 March.

20.3. School body responsibilities

20.3.1. Australian business numbers

ABNs are unique numbers used to identify business names and companies. When NT Government schools are created, or gazetted, the School bodies are registered for an ABN as NT Government entities registered for GST.

School bodies must not:

- have more than one ABN
- form or become a member of a corporation.

20.3.2. Deductible gift recipients

School bodies must:

- at the first or second meeting after the AGM, record a motion passed at the meeting that an annual self-assessment of the school's DGR status and compliance has been performed and any change in DGR status
- provide general oversight for the school's compliance with DGR requirements by reviewing financial reports to determine if DGR funds have only been spent for DGR purposes and ask the principal questions where compliance is unclear.

20.3.3. Goods and services tax

GST is a broad-based tax on most goods, services and other items sold or consumed in Australia. School bodies collect GST when they make sales with GST and pay GST when they purchase things with GST.

School bodies have options to not charge GST on their canteen sales or sales for specific fundraising events. These options are called input tax elections. If schools make an election or elections, they cannot claim back any GST on purchases they have made to make the sale. To make an input tax canteen election, the canteen must be run by the School body, not an external contractor.

Input tax elections can be made for individual fundraising events or for a series of similar events if there are 15 or fewer similar events. If there are more than 15 similar events, it is considered a normal part of the school's business and GST must be charged.

School bodies must:

- record motions passed at meetings approving input taxed fundraising event elections for individual fundraising events or groups of events if sales are to be treated as input taxed
- at the first or second meeting after the AGM: record a motion passed at the meeting that a review of input taxed elections for canteen and fundraising events has occurred
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- record a motion passed at the meeting approving or revoking input taxed elections for canteens if the input tax election is changed.

21. Travel – Under development

This chapter remains under development.