



Ministry of Education, Heritage & Arts

SCHOOLS POLICY AND PROCEDURES

FINANCIAL MANAGEMENT ARRANGEMENTS FOR SCHOOLS

Version Control – Final Version of 12 December 2019

[Handwritten signature and date] 2020

1.0 Purpose

- 1.1 The purpose of this policy is to provide a clear direction regarding the financial management arrangements in Schools, and more particularly around the management and utilisation of various Tuition Grants and other donations received in Schools.

2.0 Definitions

- 2.1 ECE is Early Childhood Education
- 2.2 ECCE is Early Childhood Care and Education
- 2.3 FEG is the Free Education Grant.
- 2.4 FEMIS is the Fiji Education Management Information System.
- 2.5 Fijian Citizen refers to a person who has acquired citizenship in accordance with the Citizenship of Fiji Decree 2009.
- 2.6 FICAC is the Fiji Independent Commission Against Corruption.
- 2.7 Maritime School/Location refers to a School/Location:
- i. on any island in the Fiji Group apart from the two main islands, Viti Levu, Vanua Levu and Ovalau; or
 - ii. on Viti Levu, Vanua Levu or Ovalau and only accessible by boat.
- 2.8 MEHA is the Ministry of Education, Heritage and Arts.
- 2.9 MEHA Staff includes any personnel paid by the Ministry of Education, Heritage and Arts.
- 2.10 Resident of Fiji refers to a person who resides in Fiji or who is domiciled in Fiji, unless the individual has a permanent place of abode outside Fiji.
- 2.11 School is a facility registered/recognised as a School with/by the MEHA and includes ECE Centres, Primary, Secondary, Special, Inclusive and Vocational Schools.
- 2.12 School Head is anyone employed as a School Head in a School.
- 2.13 School Manager is anyone appointed as a manager by a properly constituted controlling authority in accordance with Part VI, s.12(1) of the Education Act.
- 2.14 SDGs are the Sustainable Development Goals
- 2.15 Student means a person of any age for whom education is provided in a School.

- 2.16 Teacher is any person employed as a Teacher in a School.
- 2.17 Tuition Grants includes the Free Education Grants, the ECCE Tuition Subsidy Grant, the Special and Inclusive Education Grant, Vocational Tuition Grant and other grants provided by MEHA to Schools for tuition purposes.
- 2.18 Vocational School is a facility registered/recognised with/by the MEHA that offers vocational courses.

2.0 Policy Statements

- 2.1 The education of Fijians is a progressive right in the Constitution which is affected by a high absenteeism rate for students both in Schools and students leaving School early.
- 2.2 Various factors contribute to the attrition rates and pose hindrances to the promotion of a Knowledge Based Society. Financial problems and poverty are key factors hindering education.
- 2.3 The Government's have introduced various initiatives since 2014 to ensure that parents/guardians do not have to bear the burden of paying for tuition for their children attending Schools.
- 2.4 The Tuition Grants provided by MEHA will assist in achieving SDG Goal 4, which is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by 2030.
- 2.5 Since 2014, grants were given to Schools according to the School roll and those with higher roll gained maximum benefit from the grants.
- 2.6 The Government continued with the FEG initiative to ensure:
- (a) Disparities between Schools of different sizes are substantially reduced by a fair distribution formula;
 - (b) Financial burden on parents/guardians who desire to offer quality education to their children is reduced;
 - (c) Schools' management functional roles are improved;
 - (d) That no child is left behind when it comes to quality education;
 - (e) That Fiji becomes a Knowledge Based Society by investing in the School students;
 - (f) That Schools do not unnecessarily resort to fundraising activities or put undue pressure on parents, guardians or students for money and
 - (g) that the needs of the disadvantaged Schools are properly addressed considering their size and educational resources.
- 2.7 Parents, guardians, members of School communities and other stakeholders shall continue to be given the privilege to voluntarily provide any further assistance in cash or kind, without any coercion or pressure or undue influence by the School, that will further boost education.

3.0 Types of Tuition Grants

3.1 The MEHA provides various types of Tuition Grants to Schools, including

- 3.1.1 FEG (Primary & Secondary);
- 3.1.2 ECCE Tuition Subsidy Grants;
- 3.1.3 Special and Inclusive Education Grants;
- 3.1.4 Vocational Tuition Grants; and
- 3.1.5 Various other grants.

4.0 Eligibility to Qualify for the FEG

- 4.1 All students with Fijian citizenship currently residing in Fiji that are enrolled in Year 1 to Year 13 shall qualify for FEG.
- 4.2 The grant amount paid to each School will be determined by the number of students on the audited School roll from the previous term.
- 4.3 To qualify for the FEG a student must have at least 80% attendance for the previous term unless exceptional circumstances are substantiated.
- 4.4 Schools are prohibited from charging any extra fee to students receiving the FEG.
- 4.5 Students who are not eligible for FEG and are enrolled in Schools will pay fees as set out in Section 25 (Second Schedule) of the Education Act (four times the FEG for tuition fees and twice the per-capita boarding grant for boarding fees). These fees must be deposited into the FEG Bank Account, and from that point forward the same rules will apply to these funds as with other FEG funds (e.g. percentages of funds to be spent on each allocation, processes for expending funds etc).

5.0 Eligibility to Qualify for the ECCE Tuition Subsidy Grant

- 5.1 Registered ECE Centres receive a Tuition Subsidy Grant for each 5-year-old child that is a Fijian Citizen currently residing in Fiji as per the date ranges specified in the Preschool and Year 1 Enrolment Policy.
- 5.2 Students outside the defined age range for ECCE do not qualify for the ECCE Tuition Subsidy.
- 5.3 If ECE Centres accept students outside the defined age range they must ensure they collect sufficient fees from the students to cover all costs related to them (e.g. salary, administration and other learning costs).
- 5.4 Non-citizens do not qualify for the ECCE Tuition Subsidy and will pay fees as set out in the Second Schedule of the Education Act (four times the subsidy).

6.0 Eligibility to Qualify for the Special and Inclusive Education Grant

- 6.1 Two grant distribution models are used for Special and Inclusive Education Grants to Special Schools:
- 6.1.1 Census-based Model - Under this model, funds are based on the total number of students enrolled, regardless of the student's disability or impairment status. Special Schools receive a grant per annum for each child on the audited school roll.
 - 6.1.2 Cost-based Model - Under this model, funding allocations are driven by how many students with special needs are served or the magnitude of special education costs incurred. Funds are distributed according to the extent of the impairment.
- 6.2 Special and Inclusive Education Grants are also provided to Inclusive or Mainstream Schools. These inclusive schools receive a grant per student that has been assessed as having special needs (in addition to the FEG).
- 6.3 Assessments for eligibility for the Special and Inclusive Education Grant are carried out by the Special and Inclusive Education Unit of MEHA.
- 6.4 Only Fijian Citizens currently residing in Fiji are eligible for the Special and Inclusive Education Grant.

7.0 Eligibility to Qualify for the Vocation Grant

- 7.1 Vocational Schools receive a tuition grant per annum for each student enrolled in the vocational school.
- 7.2 Only Fijian Citizens currently residing in Fiji are eligible for the vocational tuition grant.

8.0 Respective Grant Allocations for Tuition Grants

- 8.1 The total paid for each type of tuition grant shall be determined by equitable formulae approved by the Permanent Secretary in consultation with the Honourable Minister.
- 8.2 The grant formulae are subject to budget allocations to MEHA each year – the Permanent Secretary will issue the revised formulae as and when required in consultation with the Honourable Minister.
- 8.3 Tuition Grants will be paid based on the audited school roll for that term and will not be adjusted for student transfers after the completion of the class audit in FEMIS.

9.0 Grant Agreements

- 9.1 All Schools receiving Tuition Grants shall sign a grant agreement with MEHA which reflects the parties' collaborative agreement on how the grant shall be processed and outlines the important

responsibilities for the use of and accountability for the Tuition Grants, including assets purchased from the grant.

9.2 A copy of the signed Grant Agreement shall be kept safely in the School and the original must be kept by MEHA with the Finance Unit and must be produced upon demand.

9.3 The MEHA Finance Unit shall maintain a record of all grant agreements signed with the Schools on the usage of Tuition grants.

10.0 Grant Payment Conditions

10.1 The grant conditions below must be met before MEHA will release payment to the Schools:

10.1.1 The School has a valid Grant Agreement with MEHA, which outlines the conditions for the utilisation of the Tuition Grant and the responsibilities of each party;

10.1.2 The School's audited Annual Financial Report (AFR) and Bank Account Confirmation Letter has been submitted to MEHA by 31 March each year;

10.1.3 Records of the School's Annual General Meeting (AGM) have been submitted to MEHA by 31 March each year;

10.1.4 Class Audit completed in FEMIS by the School by week 5 of Term 1 and by week 4 of Term 2 and 3 respectively; and

10.1.5 Expenditure made by the School up to the date of the proposed grant payment is recorded in FEMIS and bank reconciliation is up to date.

11.0 Bank Accounts and Grant Payments

11.1 Schools will open a separate bank account for each type of tuition grant that is received from MEHA. Funds received from donations, fundraising and canteen revenue are not permitted to be deposited into the same bank account that hold tuition grant funds.

11.2 Primary Schools that have an Early Childhood Education Centre managed by the same School manager within their premises should keep a separate account for ECCE Tuition Subsidy Grant and a separate account for FEG for primary School students.

11.3 Bank accounts used for the Tuition Grants must require that at least two signatories to authorise to make a withdrawal or payment.

11.4 MEHA will have the right to obtain bank statements directly from the bank for any MEHA grant bank account. Schools must ensure they provide all necessary authorisation to their banks to facilitate this process.

12.0 Allocation percentages for utilisation of tuition grants

12.1 FEG shall be distributed and utilized into six different percentage allocations as follows:

- 12.1.1 Administration and Office Operations 30%
- 12.1.2 Building and Compound maintenance 20%
- 12.1.3 IT, Computers and TEST Materials 15%
- 12.1.4 Library and Textbooks 10%
- 12.1.5 Physical Education, Arts, Music and Science Equipment 10%
- 12.1.6 Teaching and Learning Materials 15%

12.2 The ECCE Tuition Subsidy Grant shall be distributed and utilized into five different percentage allocations as follows:

- 12.2.1 Administration and Office Operations 45%
- 12.2.2 Building and Compound maintenance 15%
- 12.2.3 Nutrition 10%
- 12.2.4 Recreational Resources and Facilities 15%
- 12.2.5 Teaching and Learning Materials 15%

12.3 The Special and Inclusive Education Grant shall be distributed and utilized into five different percentage allocations as follows:

- 12.3.1 Administration and Office Operations 30%
- 12.3.2 Equipment, Aids and Resources 40%
- 12.3.3 Health, Welfare and Specialised Support 10%
- 12.3.4 Building & Compound Maintenance, Furniture, Vehicle and Transport 10%
- 12.3.5 Sport and Recreational Activities 10%

12.4 The Vocational Tuition Grant shall be distributed and utilized into five different percentage allocations as follows:

- 12.4.1 Administration and Office Operations 10%
- 12.4.2 Building and Compound Maintenance 20%
- 12.4.3 Tools & Equipment 20%
- 12.4.4 Consumable Items 30%
- 12.4.5 Graduation Expenses 20%

12.5 The allocation percentages prescribed in 12.1 to 12.4 apply on an annual basis.

13.0 Utilisation of Tuition Grants

13.1 It is the responsibility of School heads to ensure that a tuition grant is utilised as per its allocated purpose. It is the responsibility of School managers to supervise/monitor the utilisation.

- 13.2 Schools are required to apply the same procurement processes and thresholds as the MEHA. Procurement Limits are set out in the School Management Handbook and are based on the *Procurement Regulations 2010*.
- 13.3 All payments by the School shall be made using bank transfers or cheques, with the exception of utilization of petty cash or cash advances for remote and maritime Schools. Schools are encouraged to utilise electronic banking where possible but must ensure that at least two signatories are required to approve each payment.
- 13.4 A petty cash float shall be available at School under the authority of the School head to be utilised when it is not possible to make a cheque payment. The maximum petty cash float to be kept in the School is \$200.
- 13.5 Cash advances to School staff to make purchases directly may only be provided in exceptional circumstances (eg. where a remote or maritime School has no access to communications to confirm the exact amount of purchases before travelling to make them). The maximum cash advance that can be provided is \$1,000, and usual procurement processes will apply.
- 13.6 Schools must ensure that transparent and merit-based principles are followed when recruiting and paying staff from any tuition grant funds. The Permanent Secretary will issue guidelines that cover the recruitment, selection, contracting and performance management of locally engaged support staff by Schools.
- 13.7 Schools are responsible for the payment of all utilities in a timely manner. Schools must ensure that where Teacher Quarters are provided a tenancy agreement is in place and this states that Teachers will be responsible for the payment of utility costs. The School should also ensure that the utility account for the teachers' quarters is transferred into the name of the teacher occupying the quarters.
- 13.8 Tuition Grant funds shall not be donated, loaned or borrowed by any person or organization, nor used to repay a loan that the School, Trustees or Controlling Authorities may have taken out.
- 14.0 Record Keeping and Reporting**
- 14.1 Supporting documents of financial transactions for any payment shall be attached to the payment voucher and filed for monitoring/audit purposes.
- 14.2 All payments made will be recorded into/generated from FEMIS by the School.
- 14.3 Schools will ensure a monthly reconciliation of their bank balance against the balance in FEMIS.
- 14.4 The School will prepare an Annual Financial Report (AFR) in the format specified by MEHA. At a minimum the report will contain the following information:

- 14.4.1 The opening balance at the start of the financial year;
- 14.4.2 Total grants received from MEHA;
- 14.4.3 Expenditure on each allocation category;
- 14.4.4 The closing balance at the end of the financial year.

14.5 The AFR shall be presented and endorsed at the School's Annual General Meeting (AGM).

15.0 Virements

15.1 If a School wishes to purchase items from an exhausted allocation they should request a Transfer of Funds using the *Application for Virement*. The School must provide genuine reasons for justifying such a virement.

15.2 The Permanent Secretary must provide written approval to transfer funds before they can be used for other purposes.

15.3 Whilst there is no standard allocation for Capital Expenditures in the FEG, it may be possible to request a Virement to use funds for this purpose if the urgent need for the infrastructure can be demonstrated. However, any such request must be assessed by the Asset Monitoring Unit before such a virement is requested. Virements for Capital Expenditure will only be considered when Buildings and Compounds are maintained to an acceptable standard as determined by the Asset Management Unit.

15.4 Virements for Capital Expenditure are not permitted to exceed 10% of the annual allocation of the respective grant unless exceptional circumstances are substantiated.

16.0 Balance of Tuition Grants at the end of the year

16.1 Tuition grants are expected to be utilised in the year in which they are provided. If there is a balance of any tuition grant in the Audited Annual Financial Report that exceeds more than 10% of the annual grant amount, then this amount will be deducted from the grant the following year.

16.2 A small balance of up to 10% of the previous year grant may be carried forward to cover operational expenses in the first weeks of the following year before the Term 1 grant is provided. The same percentages for the utilisation will apply to the balance of carried forward funds.

17.0 Centralisation of the management of the Tuition Grants

17.1 The Permanent Secretary has authority to centralise the administration of Tuition Grants under the MEHA Grants Unit where it is determined the School is temporarily not able to manage its finances.

- 17.2 The Permanent Secretary will inform the School in writing when a decision has been taken to centralise the administration of its tuition grants. The reasons for this should be outlined in the written notice, as well as recommended steps to resolve the issue.
- 17.3 The Permanent Secretary has the authority to transfer financial authority back to the School once any key conditions set out have been met.

18.0 Fixed Asset Management

- 18.1 Fixed assets purchased from tuition grants will be the property of the School, however they will be subject to the similar rules that apply to assets held by Government.
- 18.2 All fixed assets purchased from tuition grants with a value in excess of \$500 must be recorded in the School Asset Register on FEMIS.
- 18.3 Fixed assets purchased from tuition grants must only be used for official purposes.
- 18.4 An annual board of survey must be conducted each year to verify the existence and condition of assets purchased from tuition grants.
- 18.5 Approval from the Permanent Secretary must be obtained before disposing of any fixed asset purchased from tuition grants with an original cost of more than \$500. The sale of assets must be carried out in a transparent and competitive way to ensure that maximum value for money is obtained.
- 18.6 Donated assets with a value in excess of \$500 must be recorded in the School Asset Register on FEMIS. These assets must only be used for official purposes and covered in the School's annual board of survey. Approval from the Permanent Secretary must be obtained before disposing of any donated asset that was subject to a tax exemption for educational purposes when imported into Fiji.

19.0 Fundraising

- 19.1 Permission for fundraising will only be given in very special circumstances – only one fundraising per year is allowed.
- 19.2 Any requests to conduct fundraising should be directed through the District Education Office for approval by PSEHA.
- 19.3 If the fundraising is approved by PSEHA, the school is responsible for obtaining the necessary permits and licences.
- 19.4 When carrying out the fundraising schools must ensure the following:

- 19.4.1 Learning and teaching time must not be compromised;
- 19.4.2 No financial target shall be set for any students or parents to raise; and
- 19.4.3 Health and safety issues must be observed.
- 19.5 After the fundraising the schools should prepare a summary of funds raised and submit to Finance Unit via the District Education Office.
- 19.6 All funds received from fundraising are to be deposited in the school development bank account.
- 19.7 The project must start within three months of the funds being raised and the School must ensure quality assurance is maintained during the whole process.
- 19.8 Fundraising that is organized outside the school by other groups does not require permission from MEHA.
- 20.0 Monitoring and Audit of the Utilisation of Tuition Grants**
- 20.1 The MEHA Finance Grants Audit Team shall be responsible for monitoring the usage of the Tuition Grants through visits to the School and via FEMIS.
- 20.2 All School records must be made available to MEHA officials for scrutiny during their visits and in FEMIS.
- 20.3 A summary of issues noted during these monitoring visits will be provided to the School head and School manager, and these issues should be tabled in a School committee meeting.
- 20.4 Schools that have financial issues to rectify after the monitoring exercise, must adhere to the time period given by MEHA to avoid being reprimanded for non-compliance.
- 20.5 Schools receiving Tuition Grants of more than \$5,000 per annum must have their AFR audited by a Certified Accountant. Schools receiving Tuition Grants of less than \$5,000 per annum may be audited by any person with a degree in accounting. Proof of qualification and certification must be submitted with the AFR to MEHA Finance Grants annually.
- 20.6 The auditor selected to conduct the audit must be independent of the School.
- 20.7 The auditor must give a certificate confirming the audit and submit a report of the findings and recommendations. A bank account confirmation letter should be obtained by the Auditor with details of the account name, account number and authorised signatories and this should be submitted to MEHA with the Annual Financial Report.
- 20.8 The Permanent Secretary upon receiving all the necessary documents regarding financial misuse or abuse shall refer the case to the Fiji Police or FICAC for their intervention and may refer the matter to the MEHA Performance and Discipline Unit for consideration in terms of the Disciplinary Guideline.

- 20.9 The Permanent Secretary shall act on any recommendations and reports received from the Fiji Police and/or FICAC.
- 20.10 If the offender who has been convicted by a Court of Law is a teacher or an employee of the MEHA, the Permanent Secretary shall with the concurrence of the Honourable Minister summarily terminate the employee's contract.
- 20.11 Schools must ensure better utilization and management of Tuition Grants to ensure there is no abuse thus supporting better preparation and development of children's education and a competitive and competent future human resource for the nation.

21.0 School Management Handbook


- 21.1 After approval of this policy by the Honourable Minister, the Permanent Secretary will issue a School Management Handbook to assist in the implementation of this policy. The School Management Handbook will include more detailed information on the management of Tuition Grants and the templates used in the management of Tuition Grants.
- 21.2 All Schools receiving Tuition Grants from MEHA must comply with the School Management Handbook.

22.0 Review Arrangements

- 22.1 This policy will be reviewed three years or as required after approval by the Honourable Minister.

23.0 Implementation

- 23.1 This policy will be effective from 1 January 2020.



Alison Burchell

Permanent Secretary for Education, Heritage and Arts

Date: 20 / 12 / 2019