



### 3.00 FISCAL MANAGEMENT

#### **3.1011 the NIS Financial Year**

The NIS Financial Year runs from August 1<sup>st</sup> to July 31<sup>st</sup>.

#### **3.1021 Budgeting Goals**

NIS aims to prepare an operating budget adequate to cover all anticipated operating and development expenses for the coming financial year. In so doing, maintaining and developing our state-of-the-art educational service is a guiding principle. A reasonable operating contingency is built into the annual budget. Operating costs are covered by tuition fees.

#### **3.1022 Budget Preparation Procedure**

The NIS Budget is prepared on a zero basis, taking into account the operating and educational needs of the school.

Appropriate staff make estimations of the cost of meeting operating needs. These are received by budget heads.

The initial submission is audited by the Director and the Deputy Director - Operations & Finance.

The draft budget is reviewed by the Board's Finance Committee.

The final draft is submitted to the full Board for its approval.

#### **3.1023 Staff Involvement in Budget Preparation**

The Director ensures appropriate consultation with budget heads and their teams in preparing the annual budget. This participation is regarded as a professional responsibility of all professional and administration staff.

#### **3.1031 Estimating Budget Needs**

Estimated budget needs for the forthcoming financial year are submitted to the Deputy Director - Operations & Finance in line with school policy 3.1033.

#### **3.1032 Review of Budget Proposal by Committee**

The Board's Finance Committee reviews the draft budget for the forthcoming financial year in line with school policy 3.1033.

#### **3.1033 Presentation of Proposal to the Board**

The budget proposal for the forthcoming financial year is presented by the chair of the Finance Committee to the full Board for approval before November 30<sup>th</sup> of the current financial year.

#### **3.1041 Budget Approval by the NIS Board**

The Budget for the forthcoming year is approved by a majority decision of the full Board before November 30<sup>th</sup> of the current financial year. The Budget is further reviewed before May 31<sup>st</sup> of the current financial year.



### **3.1051 Periodic Budget Reconciliation: Board**

The Director shall present budget reconciliation information to the Finance Committee on a regular basis for its review.

Such information is reported in summary form to the full Board at every Board meeting. The Finance Committee implements an appropriate reporting format for the Board's information.

### **3.1052 Periodic Budget Reconciliation: Budget Heads**

The Director in collaboration with the Deputy Director - Operations & Finance implements a system of monthly budget reconciliation information to budget heads. This information details all expenses within the budget head's brief and shows actual expenditure versus budgeted expenditure.

### **3.1053 Budget Overruns**

Budget overruns are authorized by the Board following justification to the Finance Committee by the Director.

The Director is responsible for advising the Finance Committee regarding whether an overrun is expected to be eradicated by financial year-end, or whether it is expected to represent an over-spend by the end of the financial year.

The Director is expected where possible to ensure that an unavoidable overspend is balanced by underspend in one or more other operating areas.

### **3.1054 Budget Revisions**

Budget revisions may be proposed by the Director to the Finance Committee in cases where actual financial circumstance are at variance with anticipated financial circumstances.

The recommendations of the Finance Committee must be submitted for approval to the full Board before a budget revision is implemented.

### **3.1061 Allocation of Items to Budget Lines**

Allocation of items to budget lines is effected in accordance with the approved budget by the Director, or delegate thereof.

### **3.1071 Director's Authority to Accept Trust Funds**

The Deputy Director - Operations & Finance may authorize the establishment of trust funds on behalf of parent organizations, student organizations, and field trips operated by staff, provided such funds are related to the school. The Director's decision on acceptance is final.

The Director shall ensure the appropriate financial procedures are applied to management of such funds.

Interest accruing to trust funds through NIS bank accounts shall be credited to NIS operating funds, in lieu of a management fee.

Trust funds will be reported at the Board's request.



### 3.1072 Return of Inactive Trust Funds

Trust funds inactive for a period of 6 months shall be returned without interest to the organizer responsible for the fund. The organizer shall provide the Deputy Director - Operations & Finance with detailed information regarding proper distribution of funds to individuals if appropriate. In the event of it proving impossible to return inactive trust funds, the Deputy Director - Operations & Finance may request the NIS Chair of the Finance Committee's authorization to credit such funds to the NIS operating fund.

### 3.1073 Reporting on Trust Fund Activity

Trust fund activity will be reported by the Deputy Director - Operations & Finance monthly to the person or organization responsible for the fund, and to the Director.

### 3.2011 Authorisation of Disbursement by Multiple Signature

All disbursements of operating funds must be authorized by at least two persons.

### 3.2012 Individual Disbursement Authority

Authority for individuals to make a budgeted disbursement from operating funds must carry the signatures of the budget head and of the Deputy Director - Operations & Finance.

### 3.2013 Budget Heads' Disbursement Authority

Authority for a Budget Head to make a budgeted disbursement from operating funds must carry the signatures as per NIS Signature Regulation Policy 3.2014.

### 3.2014 Signature Regulations for Authorization for Disbursements.

Task	Amount Limit in RMB	# of signatures required	Dir	DDOF	FC	PO	BH
Purchasing ALL <b>Budget items</b> Request Form	≤ 100 000	4		X	X	X	X
	> 100 000	5	X	X	X	X	X
Purchasing - ALL <b>Non Budgeted items</b> Request Form	≤ 50 000	4	X	X	X		X
	> 50 000	<b>Additionally to be signed by Finance Committee</b>					
Petty Cash Request Form	Up to 1,000	3		X	X		X



**3.2015 Signature Regulations for Authorization for Loans, Per Diems, Allowances, Bad Debt Write Offs, Requests and Disposal of Fixed Assets.**

Task	Amount Limit in RMB	# of signatures required	Dir	DDOF	FC	PO	BH
Car Loan (refer to 3.7044 ~ 3.7045 below)	Up to 80 000 (overseas staff)	3	X	X	X		
	1 year salary (local staff)						
Information Technology Purchase (refer to 3.7043 below)	Up to 25 000	3	X	X	X		
Salary Advance Request Form	Up to 2 months salary	3	X	X	X		
Per Dim Request Form		3		X	X		X
Allowance Request Form	≤ 50 000	2		X	X		
	>50 000	3	X	X	X		
Bad Debts Write Off Request Form	≤ 50 000	2		X	X		
	>50 000	3	X	X	X		
Disposal of Fixed Assets Form	≤ 50 000	2		X	X		
	>50 000	3	X	X	X		

Dir –Director

DDOF – Deputy Director - Operations & Finance

PO – Purchasing Officer

FC –Financial Controller

BH – Budget Head

**3.2021 Secure Storage of Cash in School Buildings**

NIS provides secure storage for cash in the Accounts Office, and the Deputy Director - Operations & Finance’s Office. Such secure storage must be locked by combination lock and must provide reasonable defence against forced entry Deputy Director - Operations & Finance.



### 3.2021 Procedure: Secure Storage of Cash in School Buildings and Secure Handling of Cash

#### Introduction

NIS provides secure storage for cash in the Deputy Director - Operations & Finance's office and the Accounts Office. Such secure storage must be locked by combination lock and must provide reasonable defence against forced entry.

NIS ensures secure cash handling procedure within the Accounting office.

#### Conditions of storage of cash in the Accounts Office

- Cash stored in the Accounts Office must be placed in two separate compartments with independent locks.
  - Purpose, limits of cash and access procedure:

	<b>Compartment # 1 - Top</b>	<b>Compartment # 2 - Bottom</b>
<b>Name</b>	Daily Operation Fund	Emergency Fund and other funds
<b>Purpose</b>	To be use for daily cash payment requirements	To provide emergency funds and store other funds collected by NIS employees
<b>Daily closing balance</b>	RMB 50 000, all above should be transfer to the compartment #2	RMB 200 000 US\$ 10 000, all above should be deposited into NIS bank account
<b>Items</b>	Cash payments, Petty cash, Allowances, cash Per diem	Emergency Funds Back up fund ACAMIS Funds NIC Funds And other funds authorised by the Director
<b>Access</b>		
<b>Schedule</b>	When required – unlimited	Twice a day, before 0900h and after 1600h
<b>Authorized Staff and number required to open</b>	Cashier – 1	Cashier, DDOF – 2
<b>Type</b>	Key and Number combination	Key – DDOF Number Combination - Cashier
<b>Reconciliation</b>	Daily	Daily

#### Conditions of cash handling in the Accounts office

- Cash payments and cash collecting procedures.
  - Cashier office has published operating hours for collection and payment of cash
  - All cash collections and payments must be in the Cashier Window area
- Authorised Request Form for cash transaction (Petty Cash, Allowance, Salary advance, Per Diem and other) should be placed in the “Cashier” pigeon hole at least three working days before the preferred payment date.

### 3.2022 Permitted Whereabouts of Cash in School Buildings

Cash may be stored only in secure storage in the Accounts Office.



### **3.2023 Limits of Cash Amounts Stored in School Buildings**

The limits of cash amounts stored in school buildings are as follows:

Deputy Director - Operations & Finance's Office: RMB 20 000  
Accounts Office: RMB 250 000 and USD 10 000

All sums surplus to these amounts must be banked. Departmental Petty Cash Accounts are integral to the amounts stated above.

### **3.2024 Cash Collected by NIS Employees**

Cash collected by NIS employees must be placed in a trust fund authorized by the Director.

Cash must be handed to the Accounts office with a written record of depositors, within one day of payment.

All employees handing in cash to the Accounts office will be issued with a receipt signed by the Cashier.

### **3.2025 Periodic Reconciliation of Petty Cash**

Petty cash is reconciled on a monthly basis.

### **3.2031 Establishing Currency Conversion Rates**

Planning, accounting and payment will be done in RMB.

Revenue is invoiced in Renminbi.

Payment in foreign currency must convert to the Renminbi amount invoiced, based on the market exchange rate on the day of the transaction.

### **3.2032 Foreign Exchange Transaction Fees**

Foreign exchange transaction fees are charged in addition to regular fees levied by NIS to its fee payers.

### **3.3011 School Fees**

The Board reviews and sets tuition fees annually, before May 31<sup>st</sup>. In so doing, it considers the estimated anticipated operating costs for the forthcoming financial year. With due regard to an operating contingency fund and to the need to contribute to the school's physical development, school fees are set on a non-profit basis.

### **3.3012 Book Deposit**

The Director recommends to the Board a level of "book deposit" to protect the school from loss or abuse of its books and other materials loaned to students. This deposit is returnable following completion by the student of clearance procedures.



### **3.3013 Enrolment Administration Fee**

NIS charges RMB800 as an enrolment administration fee (non-refundable) towards meeting the costs of processing the applications and admissions testing.

### **3.302111 Overseas Hire Staff**

School fees are waived for children of NIS staff employed on Overseas Hire Contracts, for the duration of the contract.

### **3.302112 Overseas Teachers**

Overseas Teachers receive no school fee waiver.

### **3.302113 Host Country Teachers**

Host Country teachers receive full school fee waiver, provided their children are legally eligible to enrol in NIS, and subject to there being no duplication of benefits deriving from a spouse's or other relative's employment.

### **3.302114 Other Salaried Employees**

No school fee waiver applies to salaried NIS staff other than those covered in policies 3.302111, 3.302112. and 3.302113.

### **3.302115 Ancillary Employees**

No school fee waiver applies to Ancillary Employees, employed directly by the school, or on a casual basis.

### **3.30212 Financial Aid**

In certain circumstances NIS may provide partial financial aid, Such aid will be awarded on a temporary basis only, for the purpose of completing the part of a school year in which a student is already enrolled. Its primary purpose will be to assist a student to complete a year of schooling at NIS when unforeseen circumstances would otherwise make that not possible.

Financial aid must be applied for in writing. The Governance Committee will review the application letter and make a recommendation to the Board. The Board's decision will be final.

The NIS conflict of interest policy applies to these procedures. No Board member should have access to financial aid.

#### **Financial Aid Procedure**

The Director will propose a financial aid allocation for the annual budget that is within the school policy limits. The Board will approve an amount when the budget is adopted.

Financial aid will not be considered for new students. The amount of aid for a student will not exceed the school policy limits. No more than two students in one family will be eligible for financial aid. If there are more qualified applicants than can be supported with budgeted funding, the second applicant from one family will have lesser priority over the other qualified applicants.



The Director will draft a financial aid application form, which will be approved by the Board. Applications for financial aid must include this form, and may be supplemented with a tax return from the previous year and any other relevant data the applicant wishes to provide.

The Governance Committee will meet as needed to review such applications and will forward their recommendations to the Board for approval. Board decisions on financial aid will be communicated to the applicant in a timely fashion.

The NIS conflict of interest policy applies to these procedures and all Board members must withdraw for any decisions and voting as it relates to this procedure.

### **3.30221 Non-Payment Surcharge**

NIS charges a surcharge of 10% of tuition on fees paid after:

- 1) the published deadline for payment in the case of parents/guardians invoiced before the start of a semester;
- 2) the agreed deadline for payment in the case of parents/guardians of students admitted during a semester.

### **3.30222 Non-Payment Reminders and Consultation**

Non-payment reminders will be issued one school week, two school weeks and three school weeks following the published or agreed payment deadline as appropriate.

Following the third reminder, policy 3.30227 comes into force.

### **3.30223 Waiver of Non-Payment Surcharge**

The Director may waive non-payment surcharge where there is reasonable evidence that the parent has made all reasonable effort to ensure timely payment.

### **3.30224 School Fees Payment Schedules**

The Director may authorize advance quarterly payment of School fees where there is reasonable evidence that the family concerned has sound financial justification for such a schedule.

The decision must be communicated to the NIS Chair of Finance Committee. Policy 3.30227 comes into force in the case of default on payment.

### **3.30225 First School fee Payment Window**

On first registration, a payment deadline of up to four weeks may be agreed between the Director and the family concerned. During this time window, the student(s) may be admitted to the school. In the case of non-payment by the agreed payment deadline, policy 3.30227 comes into force.

### **3.30226 Withholding Student Records: Non-Payment of Fees**

Student records, examination results, references and transcripts are withheld until all sums owed to the school for all students in that family are paid.





### **3.30227 Exclusion of Students: Non-Payment of Fees**

Students whose fees have not been paid by the published deadline, or by the agreed deadline, as appropriate, may be excluded from school until fees are paid. In this case, when a year grade is over-subscribed, the student's place in the school may be offered to a wait-listed student.

With this type of exclusion, work for students to follow at home will not be set.

### **3.30231 Early Withdrawal: First Two Semesters**

No refund is paid on School fees for the first two semesters if a student is withdrawn from the school during the first two full semesters of attending NIS.

For the purpose of this policy, a full semester's enrolment is regarded as being enrolled before the 30<sup>th</sup> day of a semester.

### **3.30232 Early withdrawal**

Students who have been at NIS for more than one year who leave during the first half of a semester will receive a refund of 25% of that semester fee. Students leaving in the second half of a semester will not be entitled to a refund.

### **3.30233 Refunds in Case of Temporary Closure through Force Majeure**

Refunds will not be given in this circumstance. NIS will make all efforts to provide continued education on a home learning basis.

### **3.30234 Refund of Book Deposit**

Book deposit is refunded only on completion by the student of clearance procedures.

### **3.30241 Rationale for School fee Levels**

NIS offers a fully professional educational service. It makes no differentiation between tuition levels for different year groups in which students attend school full time.

Tuition for the Pre-K year group is set at 75% of full tuition levels, proportional to time spent in school.

### **3.30242 Review and Adjustment of Fees Levels**

The Board may at any time review and adjust all fees charged by the school, but is required to review at least annually before May 31<sup>st</sup> of the current financial year, for the forthcoming financial year.

### **3.30243 Proportional Fees Payment**

#### Introduction

NIS admits students at any point of the academic year. It is therefore fitting to charge fees in proportion to the remaining time in any semester.

#### Stipulations

1. Students admitted to NIS within the first 40 teaching days of a semester shall be billed at full tuition rates for the semester of entry.
2. Students admitted to NIS between the first 41 and 70 teaching days of a semester shall be billed at 50% tuition rates for the semester of entry.



3. Students admitted on or after the 71<sup>st</sup> teaching day of a semester shall be billed at 25% tuition for the semester of entry.
4. In the case of special circumstances, a written appeal for exception to this policy may be made in writing to the Director, who will consider it in consultation with the NIS Chair of Finance Committee. Such requests must be made 20 school days before the planned admission.

### **3.30311 Book Deposit: Fee-Paying Students**

All fee-paying students are required to pay the book deposit set by the Board.

### **3.30312 Book Deposit: Students and Enrolled Children of Staff**

Book deposit is not charged to children of staff who are eligible to free tuition for their children.

Salary payment and/or documentation will be withheld when the clearance procedure shows the school must be compensated for loss or abuse of books and materials loaned.

### **3.30313 Textbooks, Library Resources and Non-Consumable Educational Equipment – Student Use**

Care of school resources loaned to students is the responsibility of students and their families.

The Director shall ensure adequate procedures are implemented for recording the loan of such items to students.

No fees or deposits are charged individually when such items are loaned.

### **3.30314 Textbooks, Library Resources and Non-Consumable Educational Equipment – Employee Use**

NIS employees may borrow school resources free of charge or deposit, for the purpose of carrying out their professional duties.

With the exception of library resources, NIS employees may not borrow school resources for personal use.

The Director shall ensure adequate procedures are implemented for recording borrowing of school resources by NIS employees.

### **3.30315 Textbooks, Library Resources and Non-Consumable Educational Equipment – Parent Use**

Parents/Guardians may borrow Library resources free of charge or deposit.

### **3.30316 Stationery and Other Educational Consumables: Students Grade 5 and below**

NIS provides students in Grades 5 and below with all stationery and other educational consumables, necessary for them to participate in the education programme.



### **3.30317 Stationery and Other Educational Consumables: Students Grade 6 and above**

NIS provides basic paper stationery and educational consumables to students in Grade 6 and above, necessary for participation in the educational programme.

The Director shall ensure that further specialist and writing items required are published to parents/guardians annually. Purchasing items in this list is the responsibility of students.

### **3.30318 Stationery and Other Educational Consumables: Enrolled Children of NIS Staff**

Policies 3.30316 and 3.30317 apply equally to full-fee students and enrolled children of NIS staff.

### **3.3032 Use of School Facilities**

Revenue from voluntary donations for use of school facilities is contributed to the operating Fund.

### **3.304 Other Fees**

The Board may introduce other fees as it judges appropriate.

### **3.3051 Pursuing Bad Debts**

The Director shall ensure reasonable steps are taken by the Deputy Director - Operations & Finance to pursue bad debts.

### **3.3052 Bad Debt Write-Off Period**

Bad debts shall be written off after 12 months have elapsed since the bad debt became current.

### **3.4011 Acceptance of Aid, Grants and Donations**

The Director may accept unconditional aid, grants and donations to the school. Acceptance of conditional aid, grants and donations is by authorization of the full Board.

### **3.4012 Recognition of Aid, Grants and Donations**

Aid, grants and donations to NIS are recognised by public acknowledgement in the Bulletin and/or other NIS media. The Director may operate appropriate discretion in this matter.

### **3.4021 Acceptance of Gifts and Bequests**

Unconditional and conditional gifts and bequests to the school may be accepted with the approval of the Board. Use of such gifts and bequests is accepted, declined or defined by the Director.

### **3.4022 Recognition of Gifts and Bequests**

Recognition of gifts and bequests is in accordance with policy 3.4012.



### **3.4031 Establishing the Level of Surplus**

The annual operating surplus is established by the report produced by the annual external audit.

### **3.4032 Reporting the Level of Surplus**

The level of surplus is reported annually through the annual audit report to the Finance Committee, the Board, and the Association of Nanjing International School.

### **3.4033 Allocating Surplus of Funds for Use**

The Board allocates surpluses of funds for use at its discretion.

## **3.501 Operating Fund: Restricted and Unrestricted**

NIS shall establish each year an operating fund, which is derived from school fees, donations and financial expenses. The fund shall not be restricted, and shall support the agreed operating budget for the financial year.

### **3.5021 Responsibility for Financial Management of the School**

The Director is responsible for the financial management of the school through implementation of the agreed operating budget.

### **3.5022 Accounting Standards**

The NIS accounting standards are those of the People's Republic of China.

### **3.5023 Financial Accountability**

The Director is accountable for Financial Management of the school through the Finance Committee to the Board.

### **3.5024 Valuation of Assets**

The value of NIS assets shall be reported according to the depreciation standards current in standard accounting practices for the People's Republic of China.

### **3.5025 Monthly Financial Reporting**

Full financial reporting with substantial supporting documentation shall be submitted every month to the Chair of the Finance committee. A full set of reports should be submitted at each Finance Committee meeting. The Chair of the Finance Committee shall make a summary report on the school's financial situation to the full Board at each meeting.

### **3.5026 Internal Monthly Reporting**

The Director shall ensure relevant and meaningful financial reports are supplied on a monthly basis to budget heads.

### **3.5027 Annual Reporting to Annual Meeting of the Association**

The annual audit report shall be made available in full to all members of the Association of Nanjing International School, prior to the annual meeting of the



Association. Summary information shall be presented by the Director to the Annual Meeting of the Association of Nanjing International School.

### **3.5028 Access to Financial Information Reports: Members of the Association**

Any member may view the full annual audit report.

### **3.5029 Access to Financial Information: Non-Members of the Association**

Non-members of the Association, with the exceptions of auditors and of Chinese Officials requiring access in order to fulfil legal requirements related to their official duties, may not view NIS financial information.

### **3.50210 Alteration of Budget Categories**

The Director may recommend to the Board alteration of, addition to, and deletion from budget categories contained in the NIS chart of accounts. Changes may be implemented on the basis of a majority decision of the Board.

### **3.5031 Fixed Assets Register**

For accounting purposes, NIS maintains a fixed-assets register which records the current value of all non-consumable assets of which the purchase value exceeds RMB2000.

The Director shall ensure that human resources and time are deployed to enable regular maintenance and adjustment of this inventory.

### **3.5031 Procedure - Fixed Assets Categories and Depreciation**

Fixed assets are recorded at actual cost on acquisition. Depreciation is provided to write off the cost of each category of fixed assets over their useful lives from the month after they are put into use, using the straight-line method. The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

Category of fixed assets	Residual Value	Useful lives	Annual depreciation rate
Building	10%	20 years	4.5%
Plant and Machinery	10%	10 years	9%
Equipment, furniture and fixtures	10%	5 years	18%
IT equipment	10%	3 years	30%
Land use right	-	50 years	2%

### **3.5032 Depreciation**

All items contained within the fixed assets register shall be depreciated annually and written off in accordance with the accounting standards of the People's Republic of China.

### **3.5033 Internal Sectional Inventories**

The Director shall ensure that budget heads maintain current inventories of all non-consumable items for the purpose of security of those items.



Budget Heads shall furthermore ensure that the accounts office is apprised of the need to write-off damaged, lost or stolen items. An annual inventory check will be undertaken.

### **3.504 Annual Audit**

NIS shall commission an independent audit of its financial operation, by a qualified international certified public accountancy company, annually.

### **3.505 Archive in the Storage Room**

1. As per the policy of accounting archives from Ministry of Finance, all accounting files will be held for at least 15 years.
2. The archive accounting files include request forms, original receipts, journal entries/vouchers, general ledgers, financial reports, bank statements, school fee invoices, school receipts and so on at least 1 year ago.
3. In the storage room, all of the accounting files must be arranged in file boxes and put on the shelves as per type and date.
4. The accountant is in charge of the access with the records to the storage room.
5. The records of the access to the storage room should include the date, name, reason for the access, and signature.
6. All who wants to go into the storage room should ask the accountant for the access, and sign on the record.

### **3.6011 Purchasing Philosophy: Value and Cost Efficiency**

NIS purchases items which represent value for money. The Director shall ensure due consideration is given to issues of cost and quality, in deciding upon a purchase to be made.

### **3.6012 Centralised Purchasing: NIS Purchasing Office**

All purchases and advances for purchase must be pre-authorized by the appropriate employees, according to policy. Purchases must be processed through the purchasing office with the exception of authorised purchases made through advances. The Director shall ensure provision of adequate human resources for processing purchases within the purchasing office.

### **3.6013 Authority to Purchase: Purchase Orders**

All purchases must be motivated by Request Form authorised as per NIS Signature Regulation Policy 3.2014.

All purchases by advance must be authorised by Request Form authorised as per NIS Signature Regulation Policy 3.2014.

All purchases must be reconciled by proof of purchase, against the Request Form.

### **3.6014 Limited-Cost Purchases Using Petty Cash Funds**

Budget heads may make budgeted purchases under RMB1,000 with prior authorisation, using petty cash funds.

Such purchases must be reconciled by proof of purchase against retrospective purchase order.

Such purchases may be made in exceptional circumstances, where it is not feasible to apply usual pre-authorization policy and procedure.



### **3.6015 Purchasing Restrictions**

Budget heads and authorized personnel only may make purchases using NIS funds. All purchases must be within budget, unless authorised by the Director of Finance Committee in line with 3.2014.

#### **3.6021 Limited-Cost Purchases (3.6014): Due Attention to Value for Money**

Limited-cost purchases are subject to purchasing procedures outline in policy section 3.601.

#### **3.6022 Competitive Quotations - Goods and Services Priced Under the Sealed Bid Limit**

Goods and services priced under the sealed bid limit are subject to comparison by the NIS Deputy Director - Operations & Finance of minimum three competitive quotations.

For agency services, offered by suppliers of goods from overseas, the Deputy Director - Operations & Finance shall make annual review of agency fees to ensure value for money for the school.

For agency services supplied within China, the Deputy Director - Operations & Finance shall make an annual review of charges to ensure value for money for the school.

For insurance services supplied from within China and from overseas, the Deputy Director - Operations & Finance shall make an annual review of charges to ensure value for money for the school.

#### **3.6023 Invitation to Bid: Sealed Bids**

Invitation to bid for contracts to supply goods or services to a value in over RMB1,000,000 (one million RMB) shall be subject to submission of a sealed bid process.

In exceptional circumstances, the School Director may request the Board to approve the award of the contract to purchase goods or services without the bidding process.

The Finance Committee shall approve the bidding process.

#### **3.6024 Award of Bid**

The School Director shall inform the Board about the selected bid.

#### **3.6025 Approval of Purchase of Capital Items**

Approval of purchase of capital items must be carried out in accordance with policy and must be authorised by the appropriate person in accordance with signature regulations.

#### **3.6026 Purchase of Real Estate and Buildings**

NIS may purchase real estate and buildings which enable it to carry out its educational function. It may not make such purchases as investments.

Approval of such purchase is by the Board.



### **3.6027 Ownership of Intellectual Property**

Such property, generated through the regular work of the school, is the property of NIS, and not of the individual employees, or of the groups of employees, who produced it.

### **3.6028 Quality Control**

The Director shall ensure through the Deputy Director - Operations & Finance adequate checking procedures are implemented, to maintain the high quality of services and goods supplied to the school.

### **3.6029 Mandatory Student Equipment**

Students in grades 6-12 may be required to purchase for in-school use a laptop computer, or iPad, as specified by the NIS, in accordance with the School's Learning Programme.

The specified computer or iPad must be purchased in addition to regular tuition fees collected.

The School guarantees no upgrade will be necessary to any new-purchase school-specified machine, for a period of three years from the purchase date.

### **3.6031 Supplier Relations with NIS Staff**

NIS encourages friendly positive and transparent relations with suppliers and potential suppliers through adherence to policy and procedure.

Employees are required to declare to the Director any transactional circumstance in which they may be affected by conflict of interest.

### **3.6032 Routing Requests: Accounts Office and Director's Office**

Requests for contact with potential suppliers must be routed simultaneously through the Deputy Director - Operations & Finance's and Director's office.

### **3.6033 Gifts, Gratuities, Services offered by Vendors to NIS Employees and Board**

Under no circumstances may gifts, gratuities or services offered independently or in connection with school business be accepted for suppliers or potential suppliers of goods or services to the school. In the case of unsolicited gifts, gratuities or services being delivered, these must be declared to the Director within 24 hours of receipt. Such items will be collected and distributed through lucky draw, to staff.

### **3.6034 Avoiding Conflicts of Interest With Suppliers**

Competitive purchasing policy and procedures should protect the school against abuse through conflict of interest. However, NIS staff must guard against conflict of interest in relations with suppliers. Any suspected conflict of interest must be declared to the Director. In all transactions, transparency must be maintained through strict adherence to purchasing policy.

### **3.60411 Centralised Receiving**

All goods shall be received by the purchasing office, prior to distribution to departments within the school.





### **3.60412 Distribution of Goods Received**

Goods received by the purchasing office become the responsibility of the budget head motivating the purchase, or of the delegate thereof.

### **3.60413 Distributed Goods**

Distributed goods must be inventoried by internal departments within 15 working days of receipt.

### **3.60414 School Stores and Supplies Items**

School stores and supplies items shall be received and inventoried (internally) by the purchasing office within 5 working days of receipt.

### **3.60415 Fixed and Deferred Assets Register Items**

All non-consumable goods over the value of RMB2,000 shall be inventoried on the fixed and deferred assets register within 15 working days of receipt.

### **3.60416 Registration of Goods**

The Deputy Director - Operations & Finance shall oversee the timely registration of goods on the fixed and deferred assets registers. The Deputy Director - Operations & Finance shall ensure adequate labelling of school property which may be loaned to students and parents.

### **3.7011 Delegation of Approval of Payroll and Bills**

The Board delegates authority to the Director, and to the Director's designated deputy in the Director's absence, to approve payment of budgeted payroll and bills.

### **3.7012 Signature and Official Seal Authorisation**

The Board delegates authority to the Director to sign and to seal with the official NIS seal, all legal documents, letters, cheques and contracts, on behalf of the Association of Nanjing International School.

In Director's absence, the school seal may be used by one of the following: the Board Chair, the Deputy Director - Operations & Finance.

### **3.7013 Safekeeping of Official Seals**

The Director shall ensure safe storage within the administration offices of all official school seals.

### **3.7014 Safekeeping of chequebooks**

The Director shall ensure appropriately secure storage of school chequebooks within the accounts office.

### **3.7021 Payroll Deposits**

Payroll deposits are made by transfer from the school account to the employee's account. Employees are required to maintain one or more accounts in the same branch of the same bank in which school accounts are held, for the purpose of facilitating payroll transfer.



### **3.7022 Salary Payment Schedule**

Salary payment is made at the end of each month based on the published salary schedule for the year.

The Director may authorise early salary payment for Overseas Hire Teacher and Overseas Teacher employees where a school vacation means that an employee will not be in Nanjing for a scheduled payday.

### **3.7023 Salary Composition**

All salaries are paid in Reminbi.

#### **3.70241 Payment of Personal income Tax: Salaried Personnel**

For salaried employees, the relevant China Individual Income Tax (IIT) would be borne by the individual. All the compensation in employment contracts is gross income and NIS will withhold the relevant China IIT and the net income would be paid to the employee.

#### **3.70242 Payment of FESCO Dues: Host Country Employees**

NIS pays, on behalf of its Host Country Teachers and Administration Staff, a benefits package, through the Nanjing Foreign Enterprise Service Corporation (FESCO), to include unemployment, house purchase, retirement, health check and social security benefits.

Host Country Teachers and Administration Staff are required to place their work file with the Nanjing FESCO office.

#### **3.7031 Reimbursement for Travel Expenses**

Pre-authorised expenses for school business travel and accommodation are paid to the employee against original receipts, for expenses incurred outside China, and for expenses incurred within China, payment may only be in RMB.

Approval travel on school business may be reimbursed in cash or by payment to salary, to the individual who incurs the expense, against receipt.

This policy applies to school business travel funded from personal funds.

#### **3.7031 Procedure: Reimbursement for Travel Expenses -- Per Diem Allowances**

An annually approved Per Diem allowance is payable to NIS employees travelling on approved school business. School business includes in-service training, accompanying students for sports, cultural and exchange visits outside Nanjing, and trips approved by the Director as being for the purpose of school business.

Per Diem allowance is for out of pocket expenses, but does not cover accommodation and transportation expenses related to the trip.

There is one per diem rate of RMB160.

#### **3.7032 Reimbursement for Entertainment Expenses**

The Director holds delegated control of the Entertainment Expenses budget, and approves all Entertainment Expenses claims. Claims are paid against receipts.



For Entertainment Expenses incurred by the Director payment must be approved by the Deputy Director - Operations & Finance.

### **3.7033 Relocation and Allowances for Overseas Hire Staff**

NIS provides a shipping allowance for Overseas Hire Staff for the purpose of shipping a modest amount of personal effects to China at contract start, and for relocation at contract end. The allowance is payable against receipts and is for the purpose of removals costs only. It does not include importation duties or insurance payments. Levels are reviewed periodically by the Board.

### **3.7041 Emergency Loans for Non-Teaching Staff**

The Director may authorise loans to Non-Teaching Staff in cases of personal emergency, or other compelling circumstance, to a maximum of two months' salary. Such Loans must be repaid within six months of the draw-down date, by direct deduction from salary.

### **3.7042 Emergency Loans for Teaching Staff**

For Host Country Teachers, policy 3.7042 applies. For Overseas Hire Teachers, Overseas Teachers, and the Director loans may be authorised in case of personal emergency or other compelling circumstances to a maximum of two months' salary.

Such loans must be repaid within six months of the draw-down date by direct deduction from salary.

The Director authorises loans for all other employees. The NIS Chair of Finance Committee or Board Chair authorises loans to the Director.

### **3.7043 Information Technology Purchase Loans**

NIS encourages its staff to develop their information technology skills.

The Director may authorise loans to teaching and administration employees for the purchase of information technology for personal use, to a maximum of RMB 25,000.

One such loan per contract per teaching or administration employee may be authorised.

Repayment must be made within 10 months of draw-down date by direct deduction from salary.

### **3.7044 Car Loans to Overseas Hire and Overseas Teachers**

The school will lend to teachers on Overseas Hire and Overseas Teacher contracts minimum RMB16,000 and maximum RMB80,000, for the purchase of a vehicle in Nanjing. Maximum three such loans are available in any one financial year. This loan is interest-free, and is repayable by direct deduction from salary, over a period of up to two years. This loan facility is available after one year's service. In order to qualify for the loan, the employee must:

- Show a valid Chinese driver's license for the main vehicle driver.
- Write to the Director absolving Nanjing International School of any liability, related to his/her ownership or driving of the vehicle.
- Provide proof of ownership of the vehicle.
- Write to the Director allowing the school to take possession of the vehicle in the case of default on the loan.



- Show proof of purchase of fully comprehensive insurance, including maximum liability insurance, insurance for the driver against third party claims, including vehicle passengers. A copy of the policy must be left with the school.
- Leave a copy of all other related licenses with the school, as required by the school administration.

Agree that all outstanding principal on the loan will be repaid in the case of unplanned departure by the employee, or sale of the vehicle before the loan is fully repaid.

### 3.7045 Car Loans to Host Country Employees

NIS may make interest-free car loans to Host Country employees subject to the following general conditions:

- Maximum three such loans available in any one financial year.
- Availability after one full year's service only.
- Repayment period 20 months maximum.
- Maximum loan amount no more than 1 year's salary, and no more than 70% of vehicle value.

The NIS Director will develop and implement administrative procedures supporting this policy.

### 3.7052 Guidelines for Petty Cash Purchases

Petty cash purchases should take place only in cases where it is not possible or reasonable to process purchase through the accounts office.

All petty cash expenditure must be reconciled against receipts.

### 3.7061 Preparation of Cheques

Cheques for authorised payments are prepared by the Deputy Director - Operations & Finance and are signed by the Director, or delegate thereof.

#### 3.7061 Procedure: Storage and preparation of Cheques

To ensure secure and transparent preparation process of Cheques the following steps to be implemented:

Step	Area/Position	Action
<ul style="list-style-type: none"> <li>• Storage</li> </ul>	<ul style="list-style-type: none"> <li>• Cashier</li> </ul>	<ul style="list-style-type: none"> <li>• Blank bank cheques to be stored in safe in Accounting Office</li> </ul>
<ul style="list-style-type: none"> <li>• Preparation</li> </ul>	<ul style="list-style-type: none"> <li>• Cashier</li> </ul>	<ul style="list-style-type: none"> <li>• When required, the cashier will prepare cheque in accordance with authorized Request Form.</li> <li>• He/she will input all required details.</li> <li>• Completed cheque with attached authorized Request Form to be passed to the FC.</li> </ul>



<ul style="list-style-type: none"><li>• Verification</li></ul>	<ul style="list-style-type: none"><li>• Financial Controller (FC)</li></ul>	<ul style="list-style-type: none"><li>• FC will verify all details on the cheque against the Request Form.</li><li>• If correct, FC will verify the confirmed cheque with NIS Financial Seal.</li><li>• Verified cheque to be passed to DDOF for final authorization.</li></ul>
<ul style="list-style-type: none"><li>• Authorization</li></ul>	<ul style="list-style-type: none"><li>• Deputy Director - Operations &amp; Finance (DDOF)</li></ul>	<ul style="list-style-type: none"><li>• DDOF to authorize confirmed cheque with the DDOF Seal.</li></ul>

### **3.7062 Preparation of Money Transfers**

Money transfers to cover authorised payments are carried out at the instigation of the Deputy Director - Operations & Finance.

### **3.7063 Payment by Cash**

The Deputy Director - Operations & Finance may authorise payment of approved purchases by cash, in line with signature regulations.

### **3.7064 Cashing Personal Cheques**

NIS does not cash personal cheques.

### **3.7065 Schedule: Processing Invoice Payments**

Invoices are presented for payment to the Deputy Director - Operations & Finance. The Deputy Director - Operations & Finance implements authorisation policy and procedure, and processes payment in an appropriate way. Invoice payments are made within 90 days of receipt invoice.

### **3.801 Write-Off Authority**

The Deputy Director - Operations & Finance, with the co-authorisation of the Director, may authorise write-off of capital items, subject to signature authorisation system.

### **3.802 Sale of Written-Off Items**

The Deputy Director - Operations & Finance may recommend to the Director whether a written-off item should be sold or donated.

In the case of a written-off item being saleable, opportunity for purchase is offered first to NIS employees and then to the general public.

### **3.803 Disposal of Unsaleable Written-Off Items**

Unsaleable items will be disposed of by the Deputy Director - Operations & Finance and the Director first by offer to NIS employees, second by offer to charities with which the school is connected, and third by offer to the general public.

**Approved: 21 May, 2020**  
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