



3.00 FISCAL MANAGEMENT

3.1011 the NIS Financial Year

The NIS Financial Year runs from August 1st to July 31st.

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 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 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 30th 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 30th of the current financial year. The Budget is further reviewed before May 31st 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 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 elsewhere in the budget.

3.1054 Budget Revisions

Budget revisions may be proposed by the Director to the Finance Committee in cases where the actual financial circumstance is 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 done in accordance with the approved budget by the Director, or delegate thereof.

3.1071 Director's Authority to Accept Trust Funds

The 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.

Trust funds, including the PTA, 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 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 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 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 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	DOF	FC	PO	BH
Purchasing ALL Budget items Request Form	≤ 100 000	4		X	X	X	X
	> 100 000	5	X	X	X	X	X
Purchasing - ALL Non-Budgeted items Request Form	≤ 50 000	4	X	X	X		X
	> 50 000	Approval by Finance and/or Board Chair and communicated to Finance Committee					
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	DOF	FC	PO	BH
Car Loan (refer to 3.7044 ~ 3.7045 below)	Up to 80 000 (overseas staff) 1 year salary (local staff)	3	X	X	X		
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 Diem 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

DOF – 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 Director - Operations & Finance's Office. Such storage must be secure.

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 storage must be secure.

NIS ensures secure cash handling procedure within the Accounts 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:

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

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:

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 monthly.



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 31st. 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.

3.302111 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 due to duplication of benefits deriving from a spouse's or other relative's employment.

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.

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 30th 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 pro-rated refund rounded to nearest 5 days.

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.

3.30241 School fee Levels

NIS offers a fully professional educational service. There are three fee categories – PK: K1-G5: G6-12.

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 31st 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 71st 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.



3.30313 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.

Except for 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-fees 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 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 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 audits reported 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 monthly 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	Useful lives
Building	20 years
Plant and Machinery	10 years
Equipment, furniture and fixtures	5 years
IT equipment	3 years
Land use right	50 years

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 appraised of the need to write- off damaged, lost or stolen items. An annual inventory check will be undertaken.

3.504 Annual Audits

NIS shall commission two independent audits of its financial operation, by a qualified international certified public accountancy company, annually. One audit based on school year: August 1 – July 31, and the other based on calendar year: January 1 – December 31.



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 online 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 online 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-authorisation 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 Chair 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 Director - Operations & Finance of minimum three competitive quotations.

For agency services, offered by suppliers of goods from overseas, the 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 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 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 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 5-12 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 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.

3.6033 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 Director - Operations & Finance shall oversee the timely registration of goods on the fixed and deferred assets registers. The 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 Director - Operations & Finance.



3.7013 Safekeeping of Official Seals

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

3.7021 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-authorized 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 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 number 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.



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 Money Transfers

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

3.7062 Payment by Cash

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



3.7063 Schedule: Processing Invoice Payments

Invoices are presented for payment to the Director - Operations & Finance. The 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 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 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 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.

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