KZN CIRCULAR No 24 OF 2019

SUBJECT: PAYMENTS MADE FROM PUBLIC SCHOOLS BANK ACCOUNTS

LEGISLATIVE FRAMEWORK

1. In terms of Section 37(1) of the Act, the SGB of a public school shall establish a school fund and administer it in accordance with directions issued by the Head of Department. The school shall operate a single bank account for the collection and payment of money. All receipts and payments of the school shall be made through this account.

2. Subject to the KZN School Funding Norms Policy implementation Manual issued by the Head of Department in 2014, paragraph 11.11.2 all payments must be made by cheques, stop order or direct deposit or electronic fund transfer, in exception of petty cash payments only.

DISCUSSION

3. Some of the financial institutions (banks) have stopped providing school with cheque books; instead have supplied them with bank cards.

4. This practice by banks has made some of the schools to treat school bank accounts like personal accounts.

5. It is important to understand that irrespective of the changes effected by the banks in cancelling cheque books, procedures as per Departmental financial directions still hold.

6. All payments still need to be done through electronic fund transfer in the absence of the cheque books.

7. All transactions must have been authorised, following the prescribed procedures.

8. All money collected at school must be receipted and deposited at the bank.

9. The only cash to use at school must be from petty cash.

10. Bank card withdrawals are prohibited.

11. The only use for the bank card may be for accessing bank statements.

12. The schools should ask for assistance from the bank on the use of the electronic fund transfer system.

I trust that you will bring the contents of this circular to all those affected.

Dr. E V N. Zama
Head of Department – Education
Date: 16/09/2019

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