Finance and resource management for schools – FARMS: 2026

Contents

1. Governance and overview

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

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

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

Parents and communities are critical in achieving these priorities.

The NT Government Public Sector and department values are:

- ethical practice
- accountability
- respect
- commitment to service
- diversity
- impartiality.

A copy of the department's strategic plan can be found in the Policy and advisory library (PAL). A copy of the department's organisational structure can be found on the internal Education Intranet. A link to these documents can be found in the resources section at the end of this chapter.

The *Education Act 2015* (the Act) recognises the importance of parents and communities in the governance of NT Government schools through school bodies, and principals must take reasonable steps to establish these under section 102(b) of the Act.

Where it's not practical to establish a school representative body (SRB), under section 116(2) of the Act, principals may establish a parent consultative group instead.

The Education Regulations 2015 (the Regulations) at Part 5, regulation 21, details definitions.

In this part:

school body means:

(a) a school representative body; or

(b) a school management council; or

(c) a multi-school management council.

school representative body includes joint school representative body.

For the purpose of this document, SRBs will be referred to as school bodies to align with the Regulations.

If a school body has not been established, has been abolished or is not operating effectively, the Minister must establish a school management council (SMC), or multi-school management council (MSMC). An SMC or MSMC must also be established if a joint school body is proposed. The Minister appoints people to SMCs and MSMCs under section 118(4) of the Act.

For the purpose of this document, the Minister refers to the Minister for Education and Training and Minister for Early Education.

For any queries related to the content in this manual, go to the Education finance support tile in Jira and create a ticket. A link to Jira can be found in the resources section at the end of this chapter.

1.1. Authority

The Act and the Regulations are the laws that cover the functions of school bodies and financial and resource management in NT Government schools.

The Finance and resource management for schools (FARMS) manual is the official authority for schools approved for publication by the Chief Executive (CE) under section 112 of the Act.

1.1.1. Relationship to the school representative body guidelines

This FARMS manual and the School governance - School representative body guidelines (the guidelines) are companion instruments, jointly issued under section 112 of the Act.

Section 112 of the Act grants the CE power to prepare and publish guidelines, not inconsistent with the Act, for or in relation to the performance by school representative bodies (SRB) of functions conferred on them by this Act. Under the Act, these guidelines operate as the primary mechanism through which the CE sets standards, procedures, and limitations for how school representative bodies must conduct their governance, manage finances, interact with school staff, and fulfil their statutory responsibilities.

- The FARMS manual sets mandatory financial and resource management controls, including requirements, prohibitions, thresholds, delegations and record-keeping obligations that apply to all school bodies.
- The SRB guidelines provide governance advice, including guidance on roles, meeting procedures, decision-making expectations and behavioural standards.

Where both instruments apply and address the same matter, the FARMS manual prevails in the event of any inconsistency.

1.2. General information

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

School bodies include:

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

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

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

Further information regarding school resource management functions can be found in Table 1.1: Finance and resource management functions by school body types.

Table 1.1: Finance and resource management functions by school body types

Finance and resource management functions Education Act 2015, sections 107(1)(d) to 107(1)(o) and 119(1)(b) to 119(1)(k)	School bodies and independent public school boards	Joint school bodies	School management council or multi school management council	School management council with a joint school body
From time to time, assess these needs and make recommendations to the CE about satisfying them: • the needs of the school for buildings, facilities and equipment • the needs of students, teachers and other staff	✓	✓	✓	✗
Within the scope allowed by the functions conferred on the body, determine what the money allocated by the department to the school is spent on, and spend that money	✓	✗	✓	✓
Decide if and how community organisations can use the school's buildings or grounds when they're not being used by the school	✓	✓	✓	✗
Control the school's buildings and grounds, including any work carried out on them, with the CE's written approval	✓	✗	✓	✓
Control the way services of a kind prescribed by regulation are provided for the school	✓	✗	✓	✓

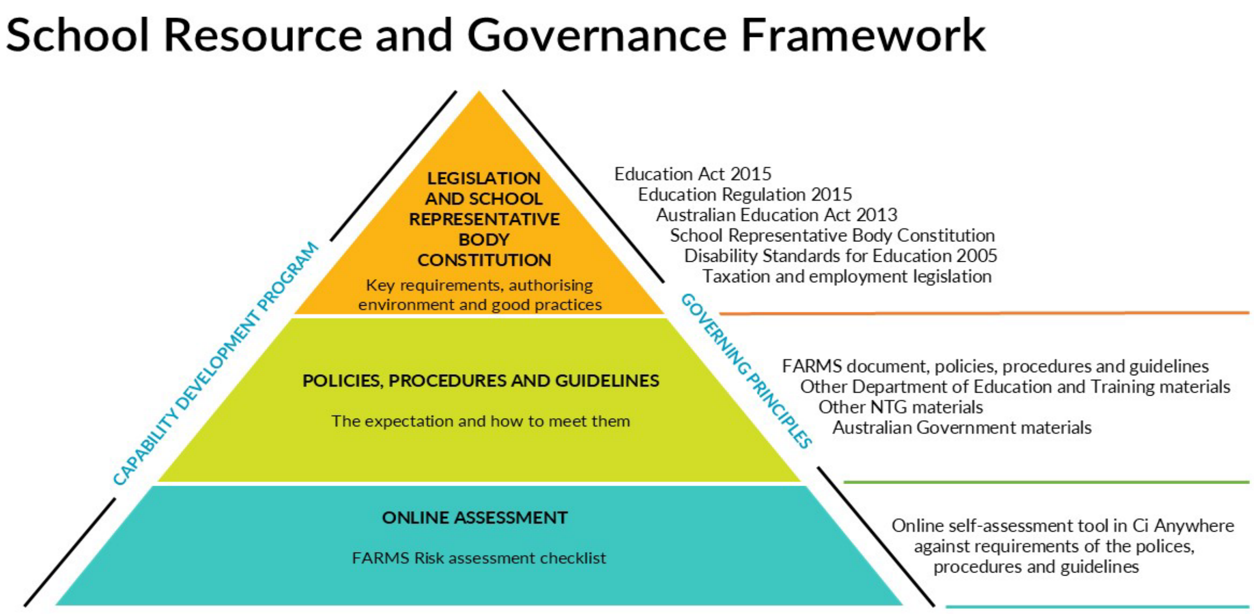
Finance and resource management functions Education Act 2015, sections 107(1)(d) to 107(1)(o) and 119(1)(b) to 119(1)(k)	School bodies and independent public school boards	Joint school bodies	School management council or multi school management council	School management council with a joint school body
In line with the *Fair Work Act 2009* (Cth) and relevant awards, employ people on terms and conditions are approved in writing by the CE	✓	✕	✓	✓
If approved by the CE, carry out money raising activities for the school and spend that money accordingly	✓	✓	✓	✕
Determine fees that may be charged for providing a student with any approved materials, services or facilities not covered by section 75(2) of the Act, that a student's parent chooses to have provided to the student	✓	✕	✓	✓
Seek voluntary contributions from parents of students enrolled in the school for any purpose	✓	✕	✓	✓
Perform any other functions as directed by the CE	✓	✓	✓	✓

If a school council reports to an SMC or MSMC, the SMC or MSMC are responsible for the items outlined in Table 1.1.

1.3. School resource and governance framework

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

Figure 1. – School resource and governance framework



1.4. Governing principles and behaviours

There are 6 governing principles and behaviours of the school resource and governance framework.

Examples of how each principle may be shown include:

- Quality leadership – promoting effective, efficient and appropriate delivery of services to the community and government through authority and clear direction.
- Transparency – reporting the department's performance to key stakeholders, demonstrating effective efficient and appropriate use of public resources.
- Accountability – engaging key stakeholders in decisions.
- Integrity – advising and assisting the government objectively and impartially.
- Commitment – remaining responsive to the changing needs of students, the community and the government.
- Performance – successfully delivering government programs and services to schools to improve overall results.

Examples of each behaviour include:

- utilising resources for purposes that benefit the students
- being fiscally responsible and modelling the behaviour for others in your school
- making decisions for the direct benefit of the students
- making decisions that are fair and reasonable and can withstand public scrutiny
- maintaining an internal control environment that enhances sound business practices and clearly defines roles, responsibilities and accountability
- meeting the department's financial compliance requirements
- recognising that each school is part of a broader system and community
- regular performance reporting to relevant stakeholders and analysis of performance information to enable decision making.

1.4.1. Validity of school body financial decisions

Financial decisions made at school body meetings, such as budget approval, out-of-budget expenditure, endorsement of financial reports, procurement above delegation thresholds, and audit engagement, are only valid when passed by a properly constituted resolution of the school body.

School bodies must make financial decisions in line with the meeting, quorum and decision-making procedures in section 7 of the School governance – School representative body guidelines. These guidelines set out requirements for quorum, motions, voting, declaring results and the recording decisions in meeting minutes.

A financial commitment or approval that is not supported by a properly constituted resolution under those guidelines has no effect under this manual and must not be acted upon.

All decisions must be recorded in the school body's meeting minutes and noted in the decision register.

1.4.2. FARMS risk assessment checklist

The FARMS risk assessment checklist is to assist schools in monitoring their compliance against this FARMS manual and related policies and legislation. It is designed for principals to complete at their own pace. Principals may select components of each chapter to assess the school's current position and implement any measures to achieve best practice and governance.

The online risk assessment checklist can be found in Ci Anywhere. A link to this checklist can be found in the resources section at the bottom of this chapter.

1.5. Overarching policy

Principals and school bodies must:

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

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

- governance in all matters relating to conduct and ethical behaviour, conflict of interest, fraud control, gifts and benefits and risk management, for more information on governance, email schoolgovernance@education.nt.gov.au
- risk management and internal controls, for more information on risk management, email qas.doe@education.nt.gov.au
- official travel for school and corporate staff, further information regarding official travel can be found in the PAL

- workplace requirements for safety management including safety of students and workers. For more information on safety management, email whs.det@education.nt.gov.au
- workplace requirements for emergency management, for more information on emergency management, email emt.doe@education.gov.au.

All department policies and resources can be found in the PAL. A link to the PAL can be found in the Related policies and guidelines section at the end of this chapter.

1.6. Definitions

A glossary of definitions that are referenced throughout this FARMS manual can be found in the complete manual published in the PAL.

1.7. Internal controls

Schools are responsible for maintaining appropriate internal controls to ensure there are segregation or separation of duties across key financial processes. This will minimise the risk of misappropriations or irregularities occurring, as well as reducing the opportunity for fraud to take place and limiting accidental errors. These may include instances to mitigate conflicts of interest.

Schools should have expenditure management processes that allow for an appropriate segregation or separation of duties.

1.7.1. Segregation or separation of duties

Segregation or separation of duties between employees minimises the risk for misappropriations or other irregularities to occur. It reduces the opportunity for fraud to take place and limits accidental errors.

Segregation of duties must be maintained for all transactions including payments or receipts, and the approving of own expenditure. This is where the person who sought the quote or approved acceptance of the quote must not approve the payment or receipt. It is a requirement to keep adequate records to substantiate these controls and the separation of responsibilities and accountabilities.

This concept applies to all financial management transactions and principles. Delegates should ensure appropriate segregation of duties has occurred when exercising a delegated power or function.

1.7.2. Conflict of interest

All employees and school body members must identify, disclose and manage conflicts of interest in line with the department's Conflict of interest policy and procedure. The following types of conflict of interest may arise:

Table 1.2 Conflicts of interest definitions

Type	Definition	Example
Actual	A direct conflict exists between a personal interest and the proper performance of official duties or role obligations	An employee or school body member approving a contract with a business in which they have a financial interest
Potential	A personal interest could conflict with role obligations in the future, or could be perceived to do so, if circumstances change	An employee or school body member who recently left employment with a supplier the school is considering engaging

Perceived	A reasonable person could perceive a conflict to exist, even if none actually exists	An employee or school body member is related to another member of staff.

Any person who has or may have a conflict of interest in a matter must disclose it before participating in any discussion, decision or action on that matter. The conflict must be formally recorded. For guidance on the declaration process, refer to the department's Conflict of interest policy and procedure.

School body members must meet additional requirements set out in the School governance — School representative body - guidelines. These include declaring the conflict to the chair and implementing actions to manage the conflict which may include leaving the discussion or not voting on the matter. The conflict must be recorded in the meeting minutes and recorded in the school body's decisions register.

Further information regarding conflicts of interest can be found in the Conflict of interest policy and procedures in PAL. A link to these resources is provided in the Related policies and guidelines section at the end of this chapter.

1.7.3. Mandatory reporting — Independent Commissioner Against Corruption

All school body members have mandatory reporting obligations under the *Independent Commissioner Against Corruption Act 2017* (the ICAC Act). Any member who suspects on reasonable grounds that a public officer has engaged in improper conduct must report that suspicion to ICAC. This applies to all school body members, including parents, community representatives and staff.

For this requirement, improper conduct includes corrupt conduct, misconduct and serious maladministration is defined in the ICAC Act. School body members must report suspected improper conduct relating to matters such as school-held funds, procurement, employment decisions, use of school resources, or the conduct of school body meetings. Reports may be made directly to ICAC or through the department's nominated contact.

A person who makes a report to ICAC in good faith is protected under the ICAC Act. A person who knowingly makes a false report to ICAC may commit an offence.

For further guidance on reporting obligations, protections and the process for making a report, refer to section 11.5.1 of the School governance — School representative body - guidelines.

1.7.4. Respect and responsibility - Code of conduct

The department is committed to building and maintaining safe, respectful, inclusive and culturally responsive learning and working environments through the Respect and responsibility in schools - policy and guidelines.

All NT Government employees must follow the NT Public Sector (NTPS) Code of conduct which sits above the department's Respect and responsibility in schools and any school body Code of conduct.

Every school body must have a Code of conduct, which sets out the behaviours and conduct expected of all school body members, and operates alongside the school body's constitution and relevant laws, policies and guidelines.

1.7.4.1. Respect and responsibility obligations

NTPS employees — All NTPS employees at the school, including principals, teachers and business managers, are bound by the NTPS Code of conduct and the department's Respect and responsibility in schools - policy and guidelines. These obligations apply to all conduct in the course of employment and are enforceable through the NTPS employment framework.

School body members — All members of a school body, including NTPS staff who serve on the body must comply with the school body's Code of conduct adopted under the School governance — School representative body - guidelines. These obligations apply specifically to conduct performed in their capacity of a school body member and is separate from employment-based obligations.

Dual obligation — NTPS employees must meet all three of the following requirements:

- NTPS Code of conduct — governs conduct as an employee
- Respect and responsibility in schools policy — governs conduct at school and when performing duties aligned with their role
- School body Code of conduct — governs conduct as a school body member. Meeting one obligation does not satisfy the others.

Further information regarding the NTPS Code of conduct, the Respect and responsibility in schools policy and guidelines, and the school body Code of conduct can be found in the PAL, see the resources section at the end of this chapter.

1.7.5. Gifts and benefits

School body members must not solicit gifts or benefits in connection with their role. Any gift or benefit received must be declared to the school body chair within 10 business days of receipt. If the chair is the recipient, they must declare to the principal within 10 business days of the receipt. All declarations must be tabled to the school body at its next meeting.

Cash, cash-equivalent gifts, gift cards and vouchers must not be accepted under any circumstances, regardless of value.

Gifts and benefits valued at $100 or more must be recorded in the school body's gifts and benefits register within 10 business days. The register must be retained in accordance with the record-keeping requirements in this manual and must be available for inspection by the department on request.

For exempt items and full procedural requirements, refer to the School governance — School representative body - guidelines, and the department's Gifts and benefits policy.

1.7.6. Working with Children Clearance

As a condition of employment with the department, all department employees must maintain a valid Working with Children Clearance (WWCC), also known as an Ochre card.

This includes:

- all school-based employees
- school body members and employees
- volunteers
- contractors including VET instructors
- corporate-based employees including bureau staff
- employees engaged in roles involving or potentially involving interactions with children
- employees engaged in roles with access to student data.

Schools are required to maintain a record of WWCC through CiA. These records are to be stored against the employee's profile in CiA, including school-based employees and school body members and employees. Schools are required to record WWCC details for volunteers and contractors in a school-based register.

Table 1.3 Working with Children Clearance record keeping

Employee type	Record keeping
School-based employees	Ci Anywhere individual profile
School body members and employees	Ci Anywhere individual profile
Volunteers	School developed record keeping process
Contractor	School developed record keeping process

WWCC cards are valid for 2 years.

Further information regarding WWCC can be found in the Working with Children Clearance – Ochre Card policy and guidelines in the PAL. A link to this policy can be found in the Related policies and guidelines at the end of this chapter.

1.7.6.1. Payment for Working with Children Clearance

Further information regarding payment for WWCC cards can be found in the Working with Children Clearance – Ochre Card policy and guidelines in the PAL. A link to this policy can be found in the Related policies and guidelines at the end of this chapter.

1.7.6.2. Temporary exemption while Working with children application is processed

Whilst a WWCC application is being processed, employees may apply for a temporary exemption to continue working.

Further information regarding applying for exemption for WWCC cards can be found in the Working with Children Clearance – Ochre Card policy and guidelines in the PAL. A link to this policy can be found in the Related policies and guidelines at the end of this chapter.

1.7.7. Teacher registrations

All teachers employed as a teacher in the NT are required to hold a current registration as a teacher through the Teacher Registration Board (TRB) of the Northern Territory.

Schools must maintain a record of each teacher's registration through the teacher Ci Anywhere profile.

A link to the TRB website can be found in the resources section at the end of this chapter.

1.7.8. Records retention

School bodies are an NT Government entity and must adhere to the NT Government records disposal schedule under the Information Act 2002. The schedule sets out which records must be kept, and for how long including both temporarily and permanent records.

1.7.8.1. Records disposal freeze

Where the department, a school or a school body is subject to a records disposal freeze such as during a Royal Commission, government inquiry, coronial inquiry, ICAC investigation or any other formal investigation or legal proceeding, no relevant records may be disposed of, destroyed, altered or transferred.

This obligation applies regardless of the record's scheduled disposal date and regardless of whether a disposal authority would otherwise permit disposal. It extends to all records in any format, including digital files, financial records, bank statements, invoices, contracts, correspondence, meeting minutes and audio or video recordings.

The principal must notify all relevant school body members and staff immediately when a disposal freeze applies. If a school body member becomes aware of a freeze that has not been communicated, they member must raise it with the school body chair and the principal without delay.

All records disposal freezes have a specific start and a proposed end date. At the end of the duration of the records disposal freeze, the NT Archives Service and NT Records will review the requirement for the cessation or extension of the freeze and if appropriate will authorise an extension for a further period.

Further requirements are outlined in the School governance — School representative body - guidelines, section 8.2.1. and the NT Government records disposal schedules.

1.7.9. Good decision-making guide

The Good decision-making guide is a tool to support the process of decision making and to assist public officers to meet legal and administrative requirements, and reach fair, lawful and transparent decisions.

Good practice is underpinned by good decision making and includes:

- proper authorisation
  - within power and authority to make the decision
  - within scope of the decision-making discretion
- appropriate procedures
  - using a fair process
  - complying with legal and ethical obligations
  - giving reasons for decisions
- appropriate assessment to ensure a sound decision:
  - answering the right question
  - based on the evidence
  - based on the merits and reasonable in the circumstances
- adequate documentation:
  - adequately documenting and recording the circumstances surrounding the making of decisions.

Further information can be found in the Good decision-making guide in the PAL. A link to this guide can be found in the resources section at the end of this chapter.

1.7.10. Delegations

Delegations legally authorise a person to exercise a power or function, to incur liabilities and to make decisions on behalf of the CE.

The department's Delegations policy and schedules are available in the PAL A link to the Delegations can be found in the Policies and guidelines section at the end of this chapter.

Further information regarding school and corporate delegations can be found in the Accounting chapter of this FARMS manual and the PAL.

1.8. Resources

Resources	
Ci Anywhere	https://ntdoe.t1cloud.com/
Department of Education and Training Organisational structure	http://ed.ntschools.net/about-us/Pages/organisational-structure.aspx
Department of Education and Training Strategic Plan 2025 - 2028	https://elearn.ntschools.net/system-improvement/strategies/department-education-and-training-strategic-plan-2025-2028
FARMS Risk assessment checklist	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Good decision-making guide	https://elearn.ntschools.net/policies/5340
Jira portal	https://jira.nt.gov.au/servicedesk/customer/portals
Quality Education and Care NT	https://education.nt.gov.au/committees-regulators-and-advisory-groups/quality-education-and-care-nt
School Council Constitution	https://nt.gov.au/learning/parent-and-community-involvement/school-councils/set-up/constitution
School representative bodies – external PAL	https://education.nt.gov.au/policies/school-communities/school-representative-bodies
School representative bodies – Limits on financial powers	https://education.nt.gov.au/policies/school-communities/school-representative-bodies
School representative bodies – annual return form 2025	https://elearn.ntschools.net/form/srb-2024-annual-return-form
Teacher Registration Board	https://www.trb.nt.gov.au/
Working with children clearance - application	https://nt.gov.au/emergency/child-safety/apply-for-a-working-with-children-clearance

1.9. Related policies and guidelines

Policies and guidelines	
Conflicts of interest policy and procedure	https://elearn.ntschools.net/policies/4955
Delegations policy and schedules	https://elearn.ntschools.net/policies/5340
Gifts and benefits	https://elearn.ntschools.net/policies/6077
NT Public Sector Code of Conduct	https://ntgcentral.nt.gov.au/my-job/my-responsibilities/code-of-conduct
Official travel	https://elearn.ntschools.net/policies/4178

Policies and guidelines	
Official vehicles	https://elearn.ntschools.net/policies/4308
Policy and advisory library (PAL)	https://elearn.ntschools.net/policy-and-advisory-library
Respect and responsibility in school	https://elearn.ntschools.net/policies/8942
School fees and voluntary contributions policy	https://elearn.ntschools.net/policies/8207
School governance – school representative bodies guidelines	https://elearn.ntschools.net/policies/5196
Working with children clearance – Ochre card – policy and guidelines	https://elearn.ntschools.net/policies/5752

1.10. Governing legislation

Related legislation	
Australian Education Act 2013(Cth)	https://www.education.gov.au/australian-education-act-2013
Care and Protection of Children Act 2007	https://legislation.t.gov.au/Legislation/CARE-AND-PROTECTION-OF-CHILDREN-ACT-2007
Disability Standards for Education 2005(Cth)	https://www.education.gov.au/disability-standards-education-2005
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Fair Work Act 2009(Cth)	https://www.legislation.gov.au/C2009A00028/latest/text
Taxation and Superannuation Regulations(Cth)	https://www.ato.gov.au/about-ato/new-legislation

1.11. Acronyms

Acronyms	Full form
CE	Chief Executive
CiA	Ci Anywhere
DH	Department-held
FARMS	Finance and resource management for schools
FMA	Financial Management Act
IPS	Independent public schools
MSMC	Multi-school management council
NT	Northern Territory
NTPS	Northern Territory Public Sector
PAL	Policy and advisory library
QECNT	Quality Education and Care NT
SH	School-held
SMC	School management council

Acronyms	Full form
SRB	School representative body
TRB	Teacher Registration Board

2. Accounting

School bodies must keep records of any money received and any dealings with that money, under section 111(1) of the Act. These financial records must be kept in the way outlined in the Education Regulations 2015 (the Regulations), as stated under section 111(2) of the Act.

2.1. General information

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

SH funds include:

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

All SH funds transactions must be recorded in the department's enterprise financial system, Ci Anywhere (CiA), by authorised department personnel. These Northern Territory (NT) Public Sector employees may be situated within school premises or operate from regional office locations that provide support services to the school, alternatively, transactions may be entered by a fixed term bookkeeper from the panel contract.

Schools are subject to different levels of delegations including corporate delegations, school level delegations and user access levels transaction limits within CiA. Further information can be found in the Delegations section in this FARMS chapter.

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

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

2.2. Principal responsibilities

2.2.1. Accrued expenses

Accrued expenses are liabilities to pay for received goods or services that have not been invoiced by the supplier. Common accrued expenses include electricity, water and sewerage charges.

Principals must:

- only record and recognise accrued expenses in CiA for 31 December of each year
- maintain records of accrual calculations
- reverse all accruals on the first day of the new year.

2.2.2. Australian Accounting Standards Board

The Australian Accounting Standards Board (AASB) is an Australian Government agency that sets accounting standards for consistency, comparability and transparency in financial recording and reporting.

NT Government schools do not meet the AASB Statement of Accounting Concepts SAC 1 – Definition of the Reporting Entity, so do not need to prepare general purpose financial reports.

Principals must:

- keep financial records that comply with the accounting standards published by the AASB, unless other requirements have been recorded in approved department policies and procedures for NT Government schools.

Further information regarding accounting standards can be found on the AASB website. A link to this website can be found in the resources section of this chapter.

2.2.3. Bank accounts

All school bodies must have at least one official bank account in the name of the school body opened under regulation 34(1) of the Regulations.

Principals must:

- refer to the Bank account chapter of this FARMS manual for further information.

Further information can be found in the Bank account chapter of this FARMS manual.

2.2.4. Basis of accounting

NT Government schools use a combination of cash and accrual accounting. All Australian Government and state governments use accrual accounting, but the Australian Taxation Office (ATO) allows schools to report on a cash basis for taxation.

The cash accounting method recognises transactions when cash is received or paid. The accrual accounting method recognises revenue and expenditure when the transactions or other events occur. This may not be the same date the cash is received or paid.

Principals must:

- keep all financial records using accrual accounting methods at the end of the school financial calendar year except where specifically directed otherwise in these guidelines and related processes
- enter monthly journals to:
  - ensure all payroll postings have been actioned and review system generated accrued employee leave entitlements
  - recognise grant income for grants with performance obligations
  - recognise school contribution expenditure to match the related expenditure in DH funds
  - record any material transactions. For schools, a transaction is material if it could reasonably be anticipated to influence decision making
  - report monthly to the ATO on a cash basis.

2.2.5. Bonds, deposits held, trust monies and agency accounts

There are limited circumstances where schools can accept funds that do not belong to them and record these as liabilities. Accepting funds to be held for the benefit of others may create a trust relationship, and each instance should be considered carefully before accepting funds.

Funds schools might hold that do not belong to them include bonds held as school social club monies, deposits for school excursions held for parents, book club payments where the school is acting as an agent for the book club, or scholarship funds held in trust for students.

Principals must:

- maintain records of all funds held on behalf of others and the conditions related to those funds
- make a written agreement with the chair of the social club, if social club funds are held in a liability account, that contains the following information and renew the agreement as required or when a new chair is elected:
    - a process for how funds are collected
    - who can access the funds on behalf of the social club
    - all payments must be made as reimbursements from the liability account and must have a receipt or docket to be reimbursed
    - the school's supplier accounts and goods and services tax (GST) registration must not be used for social club activities
    - the social club's activities are only to support the social interaction and wellbeing of the employees of the school; all social club activities must meet community standards and individuals will conduct themselves in compliance with the NT Public Sector Code of conduct
    - any funds remaining in the social club liability account by 24 December must be transferred to the school to use for school purposes
- record funds held on behalf of others as current liabilities
- retain any interest generated from funds held to be used for school purposes, unless there is a specific written agreement to the contrary
- transfer unclaimed or forfeited bonds or deposits to income at least annually
- notify the school body of any unclaimed bonds or deposits transferred to income
- return funds held on behalf of others promptly when the conditions for holding the funds are no longer applicable.

Principals must not:

- accept funds to be held in school body bank accounts if the funds do not contribute to achieving the school's outcomes; do not meet community standards or expectations; or could damage the reputation of the school, the department or the NT Government.

2.2.6. Delegations

CiA is the systems used by school to manage school-held (SH) funds. CiA enforces transaction limits based on user roles, in alignment with the department's governance framework. These CiA delegations are designed to ensure appropriate oversight of high-value transactions through additional checks and balances for example confirming transactions are entered accurately with all relevant attachments included.

It is important to note, roles within CiA have been standardised to work across schools and may not match position description which means an employee's position may be different from their CiA role for example an employee in a finance officer position may be assigned a business manager role in CiA.

Principals have the ultimate delegation and can delegate any NT Government employee into any role in CiA.

Where a principal may approve transactions, it is important to note that CiA user access levels operate independently of school-level delegations. The CiA user access level structure ensures that transaction entry responsibilities remain distinct and appropriately segregated.

Delegations are listed at Table 2.1: Ci Anywhere user access levels.

Table 2.1: Ci Anywhere user access levels

Description	Principal	Business Manager	Finance Officer	School Manager
Document file financial level • Accounts payable (AP) • Accounts receivable (AR) • General ledger (GL)	$1,000,000	$500,000	$50,000	$2,500
• Document requisition financial level • Purchase order amendment financial level • MY Requisition financial level	$100,000	$50,000	$2,500	$2,500

If the transaction exceeds the principal's limits, approval from School Business Services - Finance is required.

2.2.7. Employee deductions

Employees may choose to, or be required to, have deductions from their pay sent to third parties. If an employee chooses to have expenses deducted from their pay, the employee must set these up as payments to separate bank accounts.

Principals must:

- keep records authorising employee deductions
- pay deductions to the required third parties in a prompt fashion.

Principals must not:

- approve employee deductions or any other arrangements for novated leases of vehicles through school body accounts.

2.2.8. Employee entitlements

Employee entitlement liabilities are benefits employees are entitled to, from past events, that are expected to be paid in the future. Employee benefits may include annual leave, leave loading, long-service leave, time off in lieu and rostered days off.

All entitlements must be in accordance with the relevant award or national employment standards.

Principals must:

- record employee benefit liabilities monthly as required by the award or contractual arrangements.

2.2.9. End of month and end of year processes

There are specific financial reporting periods and processes that must be completed at certain times throughout the year. These processes are performed to reduce the risk of incomplete, inaccurate or misleading information in the financial records and reports that inform decision making. These processes also reduce the risk of not meeting legal and compliance reporting requirements.

Principals must:

- complete the end of month processes in the required time
- complete the end of school financial year and end of payroll year processes in the required time
- complete the annual report in the required time.

Further information can be found in the School Finance Knowledge Base. A link to this website can be found in the resources section of this chapter.

2.2.10. Engaging contractors

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

For financial services like budgeting and bookkeeping, school bodies must only employ NT Public Sector employees such school-based business manager or a finance bureau business manager.

This is to prevent a conflict of interest occurring, for example, where a non-NT Public Sector employee could manage payments to themselves through CiA.

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

Principals must:

- provide oversight to the school body of any action taken with engaging contractors
- support the school body by managing all contractual arrangements consistent with:
    - the limits on powers to enter into agreements and procurement and expenditure guidelines.
    - the engagement of contractors to provide financial services requirements.
- not allow contractors to approve or release payment of their own invoices.

Further information can be found in the Bank accounts and Procurement and expenditure management chapters of this FARMS manual, and the School procurement guidelines.

2.2.11. Equity

Equity is what is left when you take away the total liabilities from the total assets. For example, if a school held assets valued at $1,000,000 and liabilities of $450,000, they would have $550,000 equity, because $1,000,000 minus $450,000 equals $550,000. This equity primarily reflects accumulated surpluses from previous financial years.

Principals must not:

- make any direct entries to equity accounts in CiA without prior advice from SBS-Finance.

2.2.12. Expenses

Expenses may include:

- purchases of goods or services
- repairs and maintenance costs
- capital improvements funded by the school recorded on an NT Government asset register
- asset expenses, such as depreciation and losses incurred when disposing of a non-current asset, like plant and equipment
- employee costs, including wages and superannuation
- financial fees, such as bank charges.

Principals must:

- record all expenses, coded to line up with the school's approved budget, the nature and function of the expense and with relevant descriptions
- keep documentation to support each expense transaction and attach to the transaction in CiA
- make payments to individuals through direct deposit, BPAY or the school's debit card; if this is not possible, document the reasons for another payment method.

Principals must not:

- record funds as expenses when held on behalf of others, trust monies, or when acting as an agent for others
- make cash payments from school managed funds except for petty cash and floats
- make payments to individuals that could be capable of being cashed by that individual or another.

Further information can be found in the Cash management chapter of this FARMS manual.

2.2.13. Goods and services tax and pay as you go withholding

Goods and services tax (GST) is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia.

Pay as you go (PAYG) withholding tax is an employer obligation and applies to school body employees or businesses that don't quote an ABN.

Principals must:

- record GST and PAYG withholding collected and paid as liabilities, as shown in the CiA chart of accounts
- GST and PAYG withholding remitted each month to the ATO.

Further information can be found in the School Finance Knowledge Base. A link to this website can be found in the resources section of this chapter.

2.2.14. Grants with performance obligations

Schools hold unacquitted grant liabilities when they receive grant funding with contractual performance obligations that have not yet been met. The liabilities reduce as the school meets the performance obligations.

Principals must:

- prior to recognising and recording grants other than recurrent grant income from the department:
    - determine if a contract exists between the school and the contract provider
    - determine if a contract includes performance obligations of the school and the grant provider
    - determine if the grant requires a financial acquittal
    - determine the grant amount
- record the grant as an unacquitted grant liability on receipt if there is a contract with performance or acquittal obligations of the school
- record unacquitted grant liabilities using a job code and identify the funding source
- record a journal each month to recognise grant income and reduce unacquitted grant liabilities as the school meets the performance obligations, the income recognised will be proportionate to the expenditure for that month.

Further information regarding grants that do not meet these criteria can be found in the Income section of this FARMS chapter.

2.2.15. Income

School bodies get most of their income from recurrent funding paid from DH funds. School bodies may also receive other grants from the department for specific purposes. In addition, school bodies can also raise funds from activities approved by the CE.

Principals must:

- record all income in CiA, coded to line up with the school's approved budget and with meaningful descriptions
- keep evidence to support each income transaction
- record recurrent income from the DH funds in CiA when funds are cleared in the bank account
- record grants as income on initial receipt in CiA, where there are no contractual performance obligations
- only record grants as income in CiA as contractual obligations are met, where there is a contractual performance obligation
- record income from the sale of goods and services in CiA upon providing the goods or service
- record income from donations at fair value when a donation is received and accepted.

Principals must not:

- record funds as income when receipting security bonds, deposits held on behalf of others, trust monies, or when acting as an agent for others.

2.2.16. Income received in advance

Income received in advance is where schools receive funds before the good or service is provided, this is also referred to as unearned revenue. An example of when schools may receive unearned revenue is advance payments for outside school hours care.

Principals must:

- record income received in advance related to the current year as income on initial entry
- record income received in advance for future years as a liability on entry and journal to income on 1 January of the related year.

2.2.17. Journals

A journal is a way to record a transaction in CiA. Journal entries record transactions in at least 2 places. This is known as double-entry accounting. For example, when a cash sale is recorded, it increases both the income account and the bank account.

Principals must:

- approve journals in line with the school's delegations document
- keep supporting documentation for recorded journals.

2.2.18. Leases

Leases are a common mechanism used by schools to access assets and services without upfront purchase, including equipment, facilities, and specialised infrastructure. While leases can provide operational flexibility, they also create ongoing financial commitments and reporting obligations that must be carefully managed.

Under the FARMS framework, lease arrangements must be entered into transparently, represent value for money, and align with department policy, legislative requirements, and accounting standards. This includes appropriate classification, recognition, and disclosure of leases in the school's financial records.

Leases may take different forms, each with distinct financial and risk implications. Schools must ensure they understand the nature of each arrangement before entering into an agreement, including the total cost, duration, termination conditions, and any associated risks.

Given the long-term financial impact leases can have on a school's budget position, it is essential that principals exercise sound judgement, maintain appropriate controls, and ensure all lease decisions are properly documented and approved in line with delegated authority limits.

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

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

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

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

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

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

- the finance lease terms and conditions must not include a guarantee or indemnity
- the leased asset must be insured to cover the full payout cost of the contract if the asset is lost, destroyed or unrepairable
- the lease expense is included in the SH funds budget, and the impact on uncommitted cash in the current and future years of the lease is considered.

Principals must:

- make sure any finance leases entered into by the school body meet the requirements for approval and written approval has been gained from the CE prior to entering into the agreement
- record operating and approved leases as expenses when payments are made.

Principals must not:

- support school bodies to enter finance leases without CE approval
- support direct debit arrangements for leases where invoices are not received or attached to the transaction.

2.2.19. Liabilities

Liabilities are obligations the school must fulfill as a result of past events or transactions. Settling these obligations is expected to result from an outflow of resources, like paying cash.

Commitments are not liabilities. Commitments are the intention to give up resources, not something that is already an obligation. Commitments may become liabilities when the intention to give up the resources becomes an obligation. An example of a commitment is a purchase order.

Future intentions are not liabilities. Future intentions are plans that have not yet been realised sufficiently to be considered commitments.

Principals must:

- recognise and record liabilities on the balance sheet when:
    - it is probable that an outflow of economic resources for economic benefits will be required
    - the liabilities have a cost or other value that can be measured reliably
- record liabilities according to their nature or function
- record cluster funding and capital grants as a liability on receipt if there is a contract with the school; other cluster funding and capital are recorded as income
- record liabilities as current if they must be settled within 12 months, or as non-current if the expected life is greater than 12 months
- disclose material liabilities or commitments in the notes to the school's audited financial statements.

Principals must not:

- record commitments or future intentions on the balance sheet.

2.2.20. Limits on powers to enter into agreements

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

School management councils (SMC) and multi-school management councils (MSMC) can enter into agreements on behalf of school bodies.

Principals must:

- work collaboratively with school bodies in representing the best interests of the school in financial matters and contractual relationships
- make sure processes are in place in schools to monitor school body contractual relationships and acquiring or disposing of property
- inform the school representative body and ensure implementation of department policies and guidelines.

Refer to the School representative bodies – limits on financial powers guidelines in the PAL for further information.

2.2.21. Losses

SH funds losses occur when there is a loss of money or property held by the school. Losses can occur from:

- property being damaged, breaking down, outdated or no longer used
- overpayments and debts that cannot be recovered, such as salary overpayments
- spending funds without approval
- accounts receivable that cannot be recovered.

Principals must:

- report losses to the school body, including outcomes of investigations taken
- notify their Senior Director Education (SDE), NT Police or the Independent Commissioner against Corruption (ICAC) of suspected theft, fraud, misappropriation or other criminal acts where required
- check recovery actions are authorised by a delegated officer, in line with the school's delegations document
- record losses in a loss register and review annually.

Further information regarding losses can be found in the Fraud control policy in the PAL.

2.2.22. Mandated software

Ci Anywhere is the mandated enterprise financial system used to record information relating to school-held resources. It is managed by the department. A link to CiA can be found in the resources section of this chapter.

Principals must:

- record all receipts, expenditure, transactions and school body payroll information in CiA.

Principals must not:

- maintain ledgers outside the CiA system without written approval from the Chief Financial Officer (CFO).

Schools currently utilise a variety of cash receipting methods and systems. These existing systems may continue to be used until a cash receipting module is implemented within CiA. To ensure completeness and accuracy of financial records, all transactions processed through these subsystems must be entered into CiA on a daily basis.

2.2.23. Other expenses

Other expenses, expensed as a 9 account, may include:

- expenses related to any source of capital grant funding
- cluster or network funding returned to the department or transferred to another school
- equity transferred to another school or to the department
- adjustments to prior year expenses.

Principals must:

- record all other expenses in CiA, coded to line up with the school's approved budget, the nature and function of the expenses and with relevant descriptions
- keep documentation to support all other expense transactions
- make sure payments go to the intended recipient where required.

2.2.24. Other income

Other income, receipted as an 8 account, may include:

- capital grants from the Australian Government, either received directly or via the department
- capital or cyclical maintenance (CM) grants or specific maintenance (SM) repairs funding from the department
- capital grants or minor new works funding from another NT Government department
- cluster funding
- adjustments to prior year income.

Principals must:

- record all other income in CiA, coded to line up with the school's approved budget, nature and function of the funds and with relevant descriptions
- keep documentation to support all other income transactions.

2.2.25. Postponements

A postponement involves delaying full or partial recovery of money or receipt of property, this may include:

- an agreement to delay the recovery action
- a repayment plan or schedule
- a temporary reduction in the value of agreed repayments
- repayment holidays, such as an agreement to skip a repayment or suspend repayments for a given period.

Principals must:

- check requests for postponements include:
  - details of the loss, including the value
  - the agreed recovery action and recovery achieved to date
  - proposed terms of the postponement
  - reasons for requesting postponement
- authorise postponements in line with the school's delegation's document
- record authorised postponements in a postponement register.

2.2.26. Prepayments

Prepayments are payments made in one reporting period for a good or service the school expects to receive or consume in a future period. Prepayments commonly include software licences and subscriptions, rental of plant and equipment, rates and insurance.

Principals must:

- record prepayments related to the current year or part of the current year as expenses on initial entry
- record prepayments entirely related to future years as assets on entry and journal to expenses in period one of the related years. For example, if a school receives an insurance invoice in 2026 that relates to a premium for 2027 year only, the school must record this as a prepayment in 2026 and an expense in 2027.

2.2.27. Provisions

Provisions are funds that are set aside to cover probable future expenses. Provisions may include:

- bad or doubtful debts – such as to account for invoices issued by the school that are not likely to be paid by customers
- asset impairments – such as due to a decline in the fair value of an asset or the asset has physical damage.

Principals must:

- keep evidence of any provisions for audit purposes, such as the quoted value of an asset.

2.2.28. School contributions

School contributions are how schools can transfer grant funds from their SH funds to their DH funds. Refer to the FARMS manual chapter: Budget management and the School cash policy in the Policy and advisory library (PAL) for further information.

Principals must:

- for contributions from grants with performance obligations:
  - record a purchase journal, or bill, from the department for the contribution value against an unused school contribution asset account with the default CiA job code
  - record monthly journals to reconcile CiA to the monthly expenditure against the contribution cost centre in the DH funds.

2.2.29. Salary and wages

Salary and wages represent a significant component of school expenditure and must be managed in a controlled, accurate, and compliant manner. All salary and wage payments must align with approved roles, workforce plans, industrial agreements, and relevant legislation, including superannuation and taxation obligations.

Schools must ensure that staffing decisions are financially sustainable, appropriately authorised, and supported by clear documentation, with effective controls in place to validate payroll accuracy and prevent errors or unauthorised payments.

Given the financial and compliance risks associated with payroll, principals are responsible for exercising appropriate oversight to ensure all salary and wage expenses are properly recorded, monitored, and managed within the school's approved budget.

Principals must:

- not provide any loans or wage advances to school body, NT Government staff or other individuals
- exercise good governance and due diligence to mitigate salary overpayments through rigorous monitoring of employee reports and staff education.

Further information can be found in the Preventing salary overpayments guidelines and frequently asked questions in the PAL, and the Accounting, Human resources and Cash management chapters of this FARMS manual.

2.2.30. Superannuation payable

Superannuation is payable for school body employees as detailed in the applicable legislation.

Principals must:

- pay superannuation in accordance with pay day superannuation legislative requirements to the employee's choice of compliant Australian Prudential Regulation Authority (APRA) regulated superannuation fund or self-managed superannuation fund
- pay superannuation to the employee's nominated superannuation account, their stapled fund, or the default AustralianSuper fund if an employee does not have a superannuation account
- process employees' superannuation salary sacrifices.
- pay superannuation on all eligible employee qualifying earnings, unless the Australian Taxation Office (ATO) has provided a superannuation guarantee employer shortfall exemption certificate for a specific employee
- pay superannuation for contractors who meet the definition of an employee for superannuation guarantee purposes, including where the contract is principally for their labour and the work is performed personally without right of delegation.

Further information regarding superannuation can be found in the Taxation chapter of this FARMS manual and the ATO website.

2.2.31. Trade creditors

The trade creditors account in CiA shows funds the schools must legally pay for goods or services that have been received and invoiced or formally agreed with the supplier.

Principals must:

- enter and approve all undisputed supplier invoices in CiA when goods or services have been received and invoiced
- enter disputed invoices in CiA when they are received but leave them unapproved until the dispute is resolved
- pay all undisputed invoices within the terms agreed with the supplier.

Principals must not:

- manipulate reported trade creditors to manage financial statement performance.

2.2.32. Trade debtors and interest receivables

The trade debtors account in CiA shows the amounts that are legally owed to the school by customers. Interest receivables show interest that has been earned by the school but not yet received.

Principals must:

- recognise and record trade debtors when goods and services have been supplied and can be reliably measured
- recognise interest receivables when able to be reliably measured
- contact School Business Services (SBS-Finance) via a Jira ticket for advice if considering using a debt recovery service.

Principals must not:

- issue invoices for funds that are not legally required to be paid, such as parent voluntary contributions
- make students debtors, any invoices must be made to their parent or guardian, unless they are legally emancipated
- manipulate reported receivables to manage financial statement performance.

2.2.33. Waivers and write-offs

A financial waiver involves ceasing to recover a loss, now or at any time in the future. Waivers are generally not supported for school body employee debt.

A write-off means ceasing to recover a loss or debt from the accounting records of the Territory or department. Write-offs do not prevent a school from recovering a loss in the future if circumstances allow.

Principals must:

- check requests for waivers include:
  - details of the loss, including the value
  - the agreed recovery action and recovery achieved to date

  - reasons for requesting the waiver
- check waivers are authorised by a delegated officer in line with the school's delegation's document
- record waivers in the school's loss register and review annually
- check that requests for write-offs include the:
  - amount to be written off
  - name of the debtor or details of property to be written off
  - reason for the write-off
  - details of recovery actions taken, if any.
- check write-offs are authorised by a delegated officer, in line with the school's delegation's document.

Further information can be found in the School Finance Knowledge Base. A link to this website can be found in the resources section of this chapter.

2.3. School body responsibilities

2.3.1. Bank accounts

School bodies must:

- deposit interest earned on money in a bank account to that account
- ensure all bank accounts must be reconciled monthly in accordance with the end of month recording keeping requirements
- deposit money allocated by the department to the school and money granted under section 109 of the Act, into an official bank account opened under regulation 34(1).

Further information can be found in the Bank accounts and Reporting chapters of this FARMS manual and the School Finance Knowledge Base. A link to this website can be found in the resources section of this chapter.

2.3.2. Engaging contractors

School bodies must:

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

School bodies must not:

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

2.3.3. Limits on powers to enter into agreements

School bodies must:

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

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

School bodies must not:

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

2.4. Resources

Resources	
Auditors and Bookkeepers Panel Contract	https://confluence.nt.gov.au/display/SFSH/Auditors+and+Bookkeepers+Panel+Contract
Australian Accounting Standards Board	https://aasb.gov.au/
Australian Taxation Office	https://www.ato.gov.au/
Chart of Accounts – Schools	https://confluence.nt.gov.au/display/SFSH/Chart+of+Accounts
Ci Anywhere	http://ed.ntschools.net/systems/Pages/ci-anywhere.aspx
FARMS risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Independent Commissioner Against Corruption	https://icac.nt.gov.au/
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portals
School Finance Knowledge Base (Confluence)	https://confluence.nt.gov.au/spaces/SFSH/pages/1260716157/School+Finance+Knowledge+Base

2.5. Related policies and guidelines

Policies and guidelines	
Accounting treatment of grants paid to schools	https://elearn.ntschools.net/policies/7979
Back to school payment scheme	https://elearn.ntschools.net/policies/4651
Chart of accounts	https://confluence.nt.gov.au/display/SFSH/Chart+of+Accounts
Code of conduct	https://ntgcentral.nt.gov.au/my-job/my-responsibilities/code-of-conduct
Delegations policy and schedules	https://elearn.ntschools.net/policies/5340
Fraud control	https://elearn.ntschools.net/policies/5291
Guarantee and indemnity	https://elearn.ntschools.net/policies/4316
Policy and advisory library (PAL)	https://elearn.ntschools.net/policy-and-advisory-library
Preventing salary overpayment – frequently asked questions	https://elearn.ntschools.net/policies/5554
Preventing salary overpayment - guidelines	https://elearn.ntschools.net/policies/5554
School cash policy and guidelines	https://elearn.ntschools.net/policies/5078
School procurement guidelines	https://elearn.ntschools.net/policies/7762
School representative bodies - Limits on financial powers	https://elearn.ntschools.net/policies/6771
School vehicles	https://elearn.ntschools.net/policies/4308
Surplus and deficits policy	https://elearn.ntschools.net/policies/5078

2.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Assets and inventory
Bank accounts
Budget management
Cash management
Funding
Insurance
Procurement and expenditure management
Reporting
Taxation

2.7. Governing legislation

2.7.1. Non-application of other Acts

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

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

Governing Legislation	
Audit Act 1995	https://legislation.nt.gov.au/en/Legislation/AUDIT-ACT-1995
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Financial Management Act 1995	https://legislation.nt.gov.au/en/Legislation/FINANCIAL-MANAGEMENT-ACT-1995
Procurement Act 1995	https://legislation.nt.gov.au/en/Legislation/PROCUREMENT-ACT-1995
Superannuation Act 1986	https://legislation.nt.gov.au/en/Legislation/SUPERANNUATION-ACT-1986

2.8. Acronyms

Acronyms	Full form
AASB	Australian Accounting Standards Board
AP	Accounts payable
APRA	Australian Prudential Regulation Authority
AR	Accounts receivable
ATO	Australian Taxation Office
CE	Chief Executive
CFO	Chief Financial Officer
CiA	Ci Anywhere
CM	Capital or cyclical maintenance
DH	Department-held
FARMS	Finance and resource management for schools
GL	General ledger
GST	Goods and services tax
ICAC	Independent Commissioner against Corruption
MSMCs	Multi-School Management Councils
NT	Northern Territory
PAL	Policy and advisory library
PAYG	Pay as you go
SBS-Finance	School Business Services-Finance
SDE	Senior Director Education

Acronyms	Full form
SH	School-held
SM	Specific maintenance
SMCs	School Management Councils

3. Assets and inventory

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

3.1. General information

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

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

3.1.1. Asset condition assessment

Assets are resources bought or controlled by a school that are used to produce future economic benefit. For example: if a school buys a smart TV and it can be used into the future, it is an asset because the school will receive future benefit from it. If the smart TV is not working and is unrepairable, it is no longer an asset because no future benefit will be received.

An asset can be transferred between NT Government schools, when control of the school changes, or where a principal agrees to accept and use an asset when the previous school doesn't need it anymore. The school body, school management council or multi-school management council must approve the transfer. If none of these are operational, the transfer may be approved by the regional Senior Director Education.

3.2. Principal responsibilities

3.2.1. Assets

Principals must:

- recognise and record assets on the balance sheet when:
  - it is probable that the future economic benefit of the asset will flow to the school
  - the asset has a cost greater than or equal to $10,000, excluding goods and services tax (GST)
- record assets according to the requirement of the chart of accounts
- record the decision to write-off assets in line with the school's delegation's document.

3.2.2. Inventories

Inventories are government school assets, or stock, that are kept for sale in the ordinary course of school business, such as school uniforms.

Principals must:

- ensure all inventories are recorded, safeguarded and are realised through its use or sale
- calculate inventory value based on the last invoiced cost of items net of (GST)

- review and record inventory values, via a stocktake, prior to school closing for the year, inventory should also be reviewed for principal financial handovers; further information regarding principal handovers can be found in the School handover chapter of the FARMS manual
- keep invoice copies showing the last cost of inventory, for audit purposes
- write-off inventory when it has been lost or is no longer in a saleable condition
- investigate inventory losses, undertake recovery actions, and provide updates to the school body
- record written-off inventory as an expense
- keep supporting documentation, including minutes of a school bodies resolution, approving the write-off
- record the write-off in the losses register, maintained by each individual school.

3.2.3. Plant and equipment

Plant and equipment are tangible items that:

- are kept for use in the production or supply of goods or services, for rental to others, or for administrative purposes
- are expected to be used during more than one period.

Plant and equipment that are permanently attached to school buildings and form part of the NT Government schools are recorded and maintained by Corporate Finance in an NT Government asset register. These items are not recorded in the schools Ci Anywhere (CiA) records.

Examples include:

- cold rooms
- air conditioners.

Plant and equipment not recorded in the NT Government asset register and purchased using school-held (SH) funds, must be recorded in CiA and the school's asset register. These items are depreciated in line with end of year (EOY) requirements.

Examples include:

- school body vehicles
- high value equipment such as security systems
- photocopiers.

Depreciation is a way to reflect an asset's decline in value. This may be due to physical wear and tear, technical advancement making the asset obsolete, or a fall in demand for the goods and services produced by the asset.

Principals must:

- record plant and equipment with an original cost or fair value of greater than or equal to $10,000, excluding GST, as an asset on the CiA balance sheet
- record plant and equipment items with an individual cost or fair value less than $10,000, excluding GST, that are part of a functional unit with a total value of $10,000 or more, excluding GST, as an asset on the CiA balance sheet
- record donated assets at fair value
- gain school body approval to write-off the carrying amount or fair value of disposed school body plant and equipment

- apply the straight-line depreciation method to assets
- use the current effective life of depreciating assets guide from the Australian Taxation Office (ATO) to determine an asset's effective life for depreciation and taking into account wear and tear and the environment for which it is situated
- make sure asset depreciation is current to the writing-off date.

Principals must not:

- group together plant and equipment that are not part of a functional unit for recognition purposes
- recognise assets that cannot be measured reliably or do not meet accounting tests for recognition
- record an asset in CiA if it falls under the NT Government reporting requirements.

3.3. School body responsibilities

3.3.1. Assets

School bodies must:

- review assets and consider a motion proposed at a meeting to dispose of assets and liabilities, including,
  - school asset write-offs, and impairment, this does not include NT Government assets such as buildings and land
  - transfers of school assets to other schools
  - disposal of school assets by sale
- ensure all motions are recorded in the school body meeting minutes and the outcomes recorded in the school body decisions register.

3.3.2. Inventories

School bodies must:

- consider a motion proposed at a meeting for write-offs of stock on hand if required,
- ensure all motions are recorded in the school body meeting minutes and the outcomes recorded in the school body decisions register.

3.3.3. Plant and equipment

School bodies must:

- consider a motion proposed at a meeting for write-offs or sale of school bodies plant and equipment, including motor vehicles, if required
- consider a motion proposed at a meeting for the school body to enter into any CE approved finance leases
- ensure all motions are recorded in the school body meeting minutes and the outcomes recorded in the school body decisions register.

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

3.4. Resources

Resources	
Ci Anywhere	https://ntdoe.t1cloud.com/
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Finance Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portal/115
Guide to depreciating assets - ATO	https://www.ato.gov.au/forms-and-instructions/depreciating-assets-guide-2025
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library

3.5. Related policies and guidelines

N/A

3.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Bank accounts
Budget management
Cash management
Funding
Infrastructure
Procurement and expenditure
Reporting
School handover
Taxation

3.7. Governing legislation

Governing legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015

3.8. Acronyms

Acronyms	Full form
ATO	Australian Taxation Office
CE	Chief Executive
CiA	Ci Anywhere
EOY	End of year
FARMS	Finance and resource management for schools
GST	Goods and services tax
NT	Northern Territory
SH	School-held

4. Bank accounts

School-held (SH) funds are held in school body bank accounts. All school bodies must have at least one official bank account in the name of the school body opened under regulation 34(1) of the Education Regulations 2015 (the Regulations).

4.1. General information

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

- transactional accounts
- online interest bearing accounts
- term deposits.

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

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

This FARMS chapter covers the requirements and responsibilities for bank account signatories; the opening, closing and operating of bank accounts; and specific requirements for school debit cards, term deposits, direct debits, payment acceptance methods and merchant services.

Information on load and go style cards can be found in the Cash Management chapter of this FARMS manual.

4.2. Account signatory responsibilities

Signatories must:

- review all electronic payment files against source documentation provided, for example, a review of all supplier invoices to confirm the bank accounts match the payment file within the bank system to be released
- confirm any requests to add new users include the meeting minutes where the new user was approved by the school body to become a signatory
- notify schools of any change of circumstances that may impact the ability to remain a signatory
- ensure any token, banking access or documents are kept secure during the period as an approved signatory
- ensure any token, banking access and documents are returned to the school body upon ceasing the role as a signatory.

4.3. Principal responsibilities

4.3.1. Signatories

Principals must:

- be one of the approved signatories on the school body bank accounts
    - support school bodies to meet their responsibilities if nominated as a school signatory.

Further information can be found in the school bodies responsibilities of this chapter.

4.3.2. Opening bank accounts

Principals must:

- ensure the school body consider the request to open the new bank account and record the decision in the school body's meeting minutes and decision register
- complete the school bank account maintenance form in CiA and submit to the CE for approval
- record the official bank account as the main bank account in Ci Anywhere (CiA) – 11115 - Main Bank Account
- support the school body to identify bank accounts needed and bank accounts that should be closed; the numbers and type of bank accounts available in CiA is explained in the CiA business managers guide
- engage with the Senior Director Education where a school has a school management council or multi-school management council
- keep evidence of the approval related to each bank account.

4.3.3. Closing bank accounts

Principals must:

- ensure the consideration to close the bank account from the school body is minuted, in the school body meeting minutes and decision register
- complete the school bank account maintenance form in CiA to seek closure approval from the CE
- check all pending payments to suppliers have cleared
- cancel automatic payments or direct debit arrangements the school has with suppliers or customers
- transfer any funds in the account to another account held by the school or to an account of another school as advised in writing by the department
- notify customers that the school's bank account information has changed and give them the new bank account details
- notify the bank in writing that the bank account is to be closed, providing a copy of the meeting minutes that authorised the closure and, if necessary, a copy of any direction from the CE, and maintain evidence the account is closed
- reconcile the bank statement closing balance with the general ledger.

4.3.4. Operating bank accounts

Principals must:

- record all bank accounts and transactions in CiA
- limit and control access to online banking systems
- make sure all signatories are current
- inform banks of changes to signatories and keep records of this communication
- make sure funds transferred between accounts are authorised by 2 signatories and evidence is attached in CiA
- reconcile all bank accounts to CiA records at least monthly, even if there has been no activity in the accounts; depending on the number of transactions, schools may need to reconcile bank accounts weekly or daily
- make sure all recurrent grant funds and grants issued under section 109 of the Act are deposited into the school's official bank account
- make sure any EFTPOS devices do not transfer funds to a third-party foreign bank account prior to transferring to the school
- budget for any merchant fees if the amounts will be material, schools may pass on merchant fees to customers, but this must be clearly communicated before transactions are processed
- make sure any bank account interest is paid into the account where the interest was earned.

Principals must not:

- hold funds in school bank accounts on behalf of individuals, the community or an external organisation except where clearly related to the school's objectives
- allow signatories to sign for transactions where they have a perceived or actual conflict of interest
- be a signatory for payments where the principal benefits personally, including reimbursing themselves, or allow other signatories to sign for payments where that signatory would benefit personally.

4.3.5. Accounts with debit card access

Schools may seek to have a debit card linked to their non-primary bank account under the following conditions.

Principals must:

- seek approval to obtain a debit card from the school body and document the approval in the meeting minutes, meeting minutes must include:
    - the approval to obtain a debit card or cards
    - the name of the person or persons nominated for card issuance
    - state which bank account the card or cards is to be linked to
    - the purpose for which the cards are to be used
    - the maximum balance allowed on the debit card
    - the secure location of where the debit card or cards will be stored
- record the outcome in the decisions register
- schools may elect to have more than one debit card linked to the account

- complete the school bank account maintenance form in CiA as part of the process to open the account and implement the procedure
- give all school employees access to the debit card procedure
- ensure all school employees are aware of purchasing delegations
- ensure all school employees are aware of use and control of debit cards
- keep debit cards in a secure location until their authorised use
- approve the transfer of funds to debit card accounts
- ensure debit card accounts are reconciled prior to approving the transfer of additional funds to the account, reconciliation must be completed monthly
- make sure cash is only withdrawn from a debit card by the cardholder to pay excursion suppliers where the expenditure is pre-approved, and it is proper to pay in cash; for example, to give cash to students to buy their own lunches at a market during an excursion.

Principals must not:

- obtain or use credit cards
- allow debit cards to be linked to the school's main operating bank account
- allow debit cards to be removed from secure storage or carried by the cardholder until an authorised purchase is about to occur
- allow debit cards to be used for purchases that have not been preapproved by 2 signatories
- allow debit cards to be used by anyone other than the cardholder.

Further information regarding debits cards can be found in the Cash management chapter of this FARMS manual.

4.3.6. Term deposits

Principals must:

- prior to opening a term deposit, ensure funds are available to be used for the current student cohort and to meet the school's financial commitments as required
- make recommendations to the school body on maximising interest earned on funds not currently required
- ensure the approval to commence a term deposit is recorded in the school body meeting minutes and recorded in the decision register
- ensure the individual investment periods for a term deposit does not exceed 3 months
- ensure funding and withdrawals for a term deposit occur through the school's operating bank account.

4.3.7. Direct debits

Direct debits are automatic transactions where suppliers transfer money from a school bank account without approval from the school for each individual payment.

Due to the risks associated with ongoing, unmanaged and unapproved payments from school bank accounts, direct debits are not appropriate in a school environment.

Principals must not:

- allow direct debits to be authorised from school bank accounts except for approved time-limited lease payments.

For further information regarding Direct debits can be found in the Accounting Chapter of this FARMS manual.

4.3.8. Payment acceptance methods and merchant services

4.3.8.1. Approved merchant services

Principals must:

- obtain card present and online payment facilities (merchant services) only through the school's approved banking provider
- ensure merchant services operate under a bank-issued merchant agreement in the school's name
- ensure funds from merchant services are settled directly into the school's official bank account, without interim holding by a third party
- ensure transaction fees, operating procedures, security and continuity risks associated with merchant services are identified and managed in accordance with procurement, risk management and internal control requirements.

Approved merchant services include:

- EFTPOS terminals used for in-person card payments
- bank-supported online payment gateways used to accept card payments via websites or approved online platforms.

4.3.8.2. Prohibited payment arrangements

Principals must not:

- use PayID, or any other payment method where a mobile phone number or personal identifier is linked to a school bank account to send or receive payments in school or school body bank accounts
- permit payments for the school to be made through personal payment terminals or devices, including where:
  - a parent, staff member or volunteer uses their own phone, EFTPOS terminal or payment device to receive funds in their personal name; and
  - funds are later transferred to the school.
- use payment platforms or services that hold school funds in a third-party account prior to transfer to the school's official bank account
- use overseas-based payment platforms where funds are held outside Australian jurisdiction before settlement to the school.

4.3.8.3. Risk management considerations

Principals must ensure school funds are not exposed to unnecessary legal, financial or operational risk.

Payment arrangements that involve personal identifiers, personal devices, or third-party custody of funds increase the risk of:

- loss or delay of school funds
- reduced auditability and transaction transparency
- limited recovery options in the event of disputes, service failures or cyber incidents.

For these reasons, schools must only use approved, bank-provided merchant services that operate under Australian law and settle funds directly into the school's official bank account.

4.4. School body responsibilities

4.4.1. Signatories

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

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

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

School bodies must:

- nominate and approve, through the school body's meeting minutes and decision register, a minimum of 3 and a maximum of 8 people to serve as signatories for the school's bank accounts
- ensure the nominated method of operation for the bank account is a minimum of 2 signatories. The method of operation must be approved in the meeting minutes, noted in the school body decisions register and notify their bank in a timely manner
- make sure all nominated signatories meet the signatory criteria
- approve changes to signatories and keep records of the approvals in the decisions register
- remove signatories to accounts if they are no longer required to act as a signatory or if they no longer meet the signatory criteria in the Signatories subheading in this chapter

4.4.1.1. Signatories that do not meet criteria

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

4.4.2. Opening bank accounts

School bodies must:

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

School management councils and multi-school management councils may:

- open bank accounts with an ADI on behalf of a joint school body
- seek approval to open from the Senior Director Education

School bodies must not:

- open any form of bank accounts without approval from the CE.

4.4.3. Closing bank accounts

School bodies must:

- review all bank accounts, including debit cards and investment accounts, to determine if they are still required. The review must be recorded in a motion passed at a meeting at least annually at the first or second meeting after the annual general meeting, additional reviews may occur during the year if required
- approve the closure of bank accounts and ensure these are noted in the minutes before applications are submitted for CE approval. The minutes must be signed by the chair.

School bodies must not:

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

4.4.4. Accounts with debit card access

Any purchases made via a debit card must follow the School procurement guidelines.

School bodies must:

- ensure the minuted approval to obtain a debit card includes:
    - the approval to obtain a debit card or cards
    - the name of the person or persons nominated for card issuance
    - state which bank account the card or cards is to be linked to
    - the purpose for which the cards are to be used
    - the maximum balance allowed on the debit card
    - the secure location of where the debit card or cards will be stored

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

4.4.5. Term deposits

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

Term deposits are bank accounts, so each time a new term deposit is created, it is considered opening a new bank account and requires CE approval.

Term deposits will only be approved if they are for 3 months or less. The CE pre-approves existing approved term deposits of 3 months or less to be rolled over without additional approval as long as the total term does not exceed 3 months.

School bodies must:

- record in the meeting minutes and the decision register, motions passed at meetings to roll over existing approved term deposits on maturity
- apply to the CE to open a new bank account if opening a new term deposit.

4.5. Senior Director Education responsibilities

Senior Director Education must:

- engage with the principal when school have a school management council and multi-school management council
- sign the approval to open bank account letter requested by the school management council or multi-school management council or in conjunction with the principal, for submission to the CE.

4.6. Resources

Resources	
Bankruptcy Register Search	https://www.afsa.gov.au/online-services-help/bankruptcy-register-search
Ci Anywhere	https://ntdoe.t1cloud.com/
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portal/115
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library
Register of Authorised Deposit taking Institutions | APRA	https://www.apra.gov.au/register-of-authorised-deposit-taking-institutions

4.7. Related policies and guidelines

Policies and guidelines	
School procurement guidelines	https://elearn.ntschools.net/policies/7762

4.8. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Budget management
Cash management
Chart of accounts
Funding
Procurement and expenditure
School Handover

4.9. Governing legislation

Governing legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015

4.10. Acronyms

Acronyms	Full form
ADI	Authorised deposit-taking institution
CE	Chief Executive
CiA	Ci Anywhere
DH	Department-held
FARMS	Finance and resource management for schools
NT	Northern Territory
PAL	Policy and advisory library
SH	School-held

5. Budget management

This chapter explains the requirements for school budget management. It includes the annual budget management cycle, cash benchmark, future year reserves, school resourcing fund, and school contributions.

5.1. General information

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

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

5.1.1. Department-held funds

A portion of Northern Territory (NT) Government school funds are held by the department. These DH funds are recorded in the DH budgets and are submitted by the principal in the School resourcing model management system (SRMMS). DH funds are mainly used to employ NT Public Sector school employees, such as teachers, and to transfer semester allocations to the SH funds.

Schools must use their annual funding in the year that the funding is provided to meet the needs of the current student cohort and improve their outcomes. As mentioned, below, a portion of their School resourcing model (SRM) funding can be taken as cash each semester. Schools are recommended to take the following as cash payments:

- 10% of their Student funding
- 10% of their Targeted program funding
- 100% of their Facility funding.

The department also supports schools taking the following as cash payments:

- 100% of their Swimming in schools funding
- 100% of their Back to school funding.

As the corporate budget operates per financial year, schools can request 50% of the recommended cash per semester. This excludes Non Urgent Minor Repairs (NUMR), Swimming in schools and Back to school funding which can all be taken in Semester 1 if preferred.

Senior Director Education (SDE) endorsement and Chief Financial Officer (CFO) approval is required if schools seek to take more than the recommended thresholds.

Schools develop a budget for their workforce, operational costs, and cash payments through the submission of annual planning scenarios through the SRMMS by the end of November in preparation for the following year.

Requests for cash grant payments can be made for Semester 1 and Semester 2 against the following SRM funding components; student, targeted programming and facility funding, based on the school's budget planning. If necessary, an adjustment to the cash payment for Semester 2 can be made by the end of April.

Further information can be found in the School cash policy and guidelines. A link to this policy can be found in the policies and guidelines at the end of this chapter.

The department also holds funds specifically allocated to individual schools for expenses such as the principal's salary and employee allowances. These are centrally managed and schools are not responsible for budgeting these funds.

5.1.1.1 Salary overpayments

Salary overpayments occur when an employee is paid for a benefit that they do not have legal entitlement to. Overpayments can be caused by administrative delays or mistakes when updating employment details like leave or changes to hours.

Other common examples are:

- late processing of higher duties
- incorrect or delayed full time equivalent changes
- leave without pay not entered before leave is taken
- allowances not cancelled when duties end or the incorrect allowance is paid
- delayed cessation processing.

All employees and their manager are responsible for preventing salary overpayments.

All employees, including staff members and delegates, must report salary overpayments as soon as it is identified. Delegates may include a principal, assistant principal or school business manager.

If a staff member identifies the overpayment, they must report it to their principal as a priority. If a delegate identifies the overpayment for an NT Public Sector staff member, they must report it to the Department of Corporate and Digital Development (DCDD) – Payroll Debt Recovery Unit, Workforce Services and Payroll teams.

Delegates must monitor payroll and leave reports fortnightly to identify any anomalies and ensure records are accurate.

Salary overpayments are considered a loss of public money and must be recovered under the *Financial Management Act (FMA) 1995*.

Whilst this section refers to salary overpayments of NT Public Sector employees, schools must also have internal control measures in place to mitigate the risk of any overpayments of school body employees.

Further information regarding salary overpayments can be found in the Preventing salary overpayments – frequently asked questions in the Policy and advisory library (PAL).

5.1.2. School-held funds

A budget considers how much funding the school has available from previous years and how much funding the school expects to receive in the new year. It records all planned expenses needed to meet employee and operational expenses of the school, and the initiatives outlined in the school's Explicit improvement agenda (EIA) and Annual school improvement plan (ASIP).

It needs to consider and include all school resources, as these will influence the school's finance planning. School resources include monetary and other resources, such as:

- school buildings and assets.

School body funds are held in school bank accounts, and the budgets are recorded in the Ci Anywhere (CiA) system. School body funds are recorded in the SH budget and school bodies approve this.

5.2. Principal responsibilities

5.2.1. Annual budget management cycle

New ASIPs and budgets are developed annually. Both need to be ready to implement when the new year starts in January. They are developed late each year for the following year. There are parts where budgets and ASIPs rely on each other, so they are developed at the same time.

The budget management cycle involves:

- assessing the needs of the school
- setting goals to achieve
- planning how to achieve these goals
- acting to make things happen
- reviewing what has happened compared to what was planned
- adjusting actions or budgets based on the review.

Principals must:

- ensure that all steps in the annual management cycle are followed as per table 5.1 below.

Table 5.1 What principals must do for the annual management cycle

What	SH or DH funds	When
Create a SRMMS annual planning scenario	DH	October
Begin developing the SH draft budget	SH	October
Engage with the wider school community, such as school bodies, parents, students, employee and canteen operators to create a shared understanding of the school's strategic direction and draft the ASIP in line with the EIA	Both	October
Update the SRMMS annual planning scenario with the published funding and anticipated variations	DH	October
Complete the SH proposed budget and present to the school body for consideration	SH	By last school body meeting of the year
Submit draft ASIP	Both	By end of week 6, Term 4
Update and submit the SRMMS annual planning scenario	DH	By COB Last working day of November
Record the approved SH budget in CiA	SH	By end of week 10, Term 4
Submit final ASIP	Both	By end of week 10, Term 4
Implement the SH budget and DH budget from the beginning of the calendar year	Both	From 1 January
Review and adjust the SH budget as required and resubmit for school body for consideration	SH	From 1 January
Create a SRMMS projection scenario, update monthly and analyse changes in projected surplus or deficit	DH	Early February, then monthly

What	SH or DH funds	When
Analyse financial reports, including monitoring and reporting of budget performance.	Both	Monthly
Adjust and submit the SRMMS projection scenario to consider any changes to budgeted cash flow and cash requests for Semester 2.	DH	April
Table the approved SH budget for noting by new school body members	SH	Usually, first meeting after the AGM

5.2.2. Cash benchmark

The cash benchmark is the benchmark amount of cash schools should keep as uncommitted in their SH budgets. The benchmark amount is one month of average school expenditure based on the school's last year of expenditure, excluding any capital, depreciation or amortisation expenses. Maintaining the school's uncommitted SH funds at the cash benchmark level reduces the chance that schools will not have enough cash to pay suppliers and employees when they are due, even if there have been unexpected expenses or reduced or delayed income. Maintaining the cash benchmark funds as uncommitted is a risk mitigation strategy.

Maintaining uncommitted cash at higher levels than the cash benchmark prevents funds from being used for the students they were provided for. All SH funds above the cash benchmark level should be committed to use in the current year, according to the student needs profile of the school. It may be appropriate to commit some of these funds to be spent in future years to replace resources used by the current students or for specific strategic improvement actions. Further information can be found in the Future year reserves subsection in this Budget Management chapter and the School cash policy and guidelines in the PAL.

If there is expected to be a material difference in expenditure in the current year, compared to the previous year, school bodies may wish to work to an adjusted cash benchmark.

Principals must:

- budget and use uncommitted funds above the default or adjusted cash benchmark funds, to support the school's strategic and operational goals
- seek support from SBS-Finance immediately if the school bank balance falls below the cash benchmark
- seek school body consideration of any proposed adjustments to the cash benchmark
- ensure that the cash benchmark is maintained in the school's main bank account to ensure access is available to support cash flow as required.

5.2.3. Consolidated budget

The SH and DH budgets need to be considered together because they are the consolidated funds available to the school.

Principals must:

- make sure the school is operating effectively within the total available resources, considering both the DH funds and SH funds
- seek prompt advice from their Assistant Director School Financial Improvement (ADSFI) if they identify or suspect the school cannot manage within the total available funds, or where the school will not be able to use their annual resources for the current student cohort
- work with their Senior Director Education (SDE) and their ADSFI if the school cannot manage within the total available funds or will not be able to use their annual resources for the current student cohort.

5.2.4. Department-held funds budget

SRM funds are allocated to schools each year and held by the department on behalf of the school. These are the school's DH funds and are mainly used to fund NT Public Sector school employees. Some of the DH funds are transferred to the SH funds as recurrent cash grants to fund the operation of the school facilities, provide student and employee consumables, fund school body employees and implement strategic initiatives. Principals enter the DH budget in the SRMMS.

Principals must:

- consider if the employee levels, including teaching, non-teaching and school body employees, are suitable to meet the needs in the next year and are achievable within the school's total available resources
- consider if current employee levels are likely to remain the same in future years with anticipated student changes, if not, create plans to transition to the anticipated employee levels, including how the current year budget should be used to support the transition
- plan to use the annual funding for the year during the year, according to the student needs profile of the school, consider the proportion of students with additional needs, English as an additional language or dialect learners and Aboriginal students, so programs respond to these student needs
- consider the recommended maximum cash allocation percentages by funding stream in the SRMMS, and document the decision-making process if a higher percentage is required
- transfer all non-urgent minor repairs (NUMR) to SH funds
- transfer facility funds to SH funds to cover planned facility expenditure in the SH budget, up to the full amount of the facility funds provided
- transfer sufficient funds from DH funds to SH funds to make sure the school can meet its operational needs and strategic priorities in the ASIP within the total available funds
- monitor payroll and leave reports fortnightly to identify any anomalies and prevent salary overpayments, additional actions include:
    - ensure employee records are accurate
    - take actions to minimise salary overpayments, for example entering leave for absent employees
    - ensure all employment condition changes are processed promptly, especially leave without pay

    - report any overpayments to DCDD – Payroll Debt Recovery Unit, Workforce Services and Payroll teams as a matter of priority
- consider if the school will carry forward a deficit and ensure a plan is created to manage this
- consider the school's possible School resourcing fund contribution
- enter planned DH funds expenditure in the SRMMS scenarios and submit in the required times
- email their ADSFI for support if they identify or suspected the school cannot manage within its available resources.

Principals must not:

- submit SRM scenarios in deficit without advice from their SDE and School Business Services (SBS-Finance).

5.2.5. Future year reserves

Schools are to ensure that their total available resources are used effectively to improve outcomes for NT Government school students.

As part of the annual SH budget preparation process, principals in consultation with their school body may allocate some of the school's current cash to future year reserves to fund an anticipated future year expense. These funds are called future year reserves. The 2 main reasons to create future year reserves are:

- Students in the current year use resources that will not be replaced until future years. For example, if smart TVs are replaced every 4 years, the funding for this year's students should pay 25% of the cost of the TV replacements in 4 years' time. Resources consumed by students should be paid for in the same year when possible and practical.
- Purchases are larger than can be budgeted for in one year's funding. For example, if the school wants to create flexible educational environments to engage students in their learning.

Future year reserves must be tied to a specific purpose and must be categorised into one of the following:

- buildings
- equipment
- furniture
- general reserve
- grounds and playgrounds
- programs.

Fundraising for specific purposes should also be spent in the year it is raised if possible. All fundraising should be allocated to a specific purpose before being raised and any remaining funds at the end of the year may be recorded as future year reserves if it meets all the criteria.

Future year reserves can only be created or added to after funds have been allocated to meet the operational needs of the school.

Future year reserves indicate the intentions of the school at the time they are planned, and the expectation is that the funds will be used for the planned purpose. Future year reserves may need to be reconsidered if circumstances change and can only be committed for a period up to 4 years. The time in which the future year reserves are to be spent must be clearly documented, and the school must retain the records.

Expenditure cannot be made directly against a future year reserve job and the job must not be overstated to manipulate the amount of uncommitted cash held.

There are some situations, where an extension beyond 4 years may be required such as an asset that is not required to be replaced for a longer period of time. The future year reserve timeline may be extended via an approval process.

Principals must:

- identify resources consumed by current students that cannot be replaced efficiently until future years, if the amount is material, create a future year reserve job; for example, an interactive whiteboard or smart TV
- identify large expenses that cannot be budgeted for in a single year, create future year reserves jobs if needed to accumulate the required funds over more than one budget year so funds are available when required
- not overstate a future year reserve job to manipulate the amount of uncommitted cash held
- make sure all future year reserves jobs are:
  - tied to a specific purpose in line with the schools' EIA, ASIP or operational needs
  - costed using the best available information
  - documented with records kept of the purpose, time limit, calculation, school body endorsement and Department of Logistics and Infrastructure (DLI) reference numbers for proposed infrastructure projects
  - carried over to future years intact and transferred to income in the year they will be spent
  - spent within a maximum of 4 years, except with approval from the SDE
  - submitted to and endorsed by the SDE
  - considered by the school body, with the outcome recorded in the minutes and in the decision register
- work with SBS-Finance, your school body and the SDE to negotiate an agreed expenditure plan that aligns with strategic, and students needs if funds need to be removed or reprioritised from an existing future-year reserve, for example, the reserve:
  - has changes to planned timing or funding requirements
  - is cancelled
  - needs to be rolled over beyond 4 years.

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

5.2.6. School contributions

The school contributions process supports NT Government schools to operate effectively within their available resources by transferring funds from their SH funds to their DH funds. The submission of an annual planning or projection scenario is the process for schools to identify the transfer of these funds. More information on the accounting treatment of school contributions can be found in the FARMS manual Accounting chapter.

School contributions can do one of 2 things:

1. Balance the DH funds budget if more expenditure has occurred than initially planned, referred to as budget alignment. This type of contribution can occur after April, prior to this the expectation is that the change will be made to semester 2 cash.
2. Recruit employees under NT Public Sector employment conditions, including associated employee and operational costs, where the funds to pay the employees were received in SH funds. Note, that if a position is funded from external funding, the full cost of the position must be planned for including any allowances such as remote allowances.

Principals must:

- include school contributions in the SH budget
- include school contributions in the anticipated variation sections of the annual budget planning or projection scenario in the SRMMS until the contribution is paid and recorded
- submit separate applications for each semester if contributions are required for the full calendar year
- approve school contribution applications for Semester 1 by the end of April, and for Semester 2 by the end of November
- ensure school contribution invoices are paid for Semester 1 by 15 June, and for Semester 2 by the last day of Week 10, Term 4
- ensure school contributions are monitored each month in CiA and to ensure third party contributions are monitored each month. Where possible, ensure balances are utilised by year end
- ensure contributions are made before costs are charged to a school contribution cost centre, unless the contribution relates to a realignment of budget
- review school contribution cost centres no longer required by end of each semester to ensure timely requests for closures are actioned.

5.2.7. School-held funds budget

Each year schools receive funding from the department and develop their budget in the School resourcing model management system (SRMMS). There are separate budgets for SH funds and DH funds.

SH funds can be transferred from the NT Government school's DH funds as a recurrent cash grant to be received into school body bank accounts. These funds are mainly used for operating the school's facilities, providing employee and student consumables, and strategic initiatives. The SH budget is recorded in CiA. Further information can be found in the Funding – government, Funding – self generated, and Funding – additional sources chapters of this FARMS manual.

Principals must:

- include in the SH budget:
  - calculated estimates of operational expenditure including facility operations and employee and student consumables
  - strategic expenditure required for EIA and ASIP strategies
  - any future year reserves jobs
  - any school contributions
  - funding transferred from DH funds
  - planned monthly income and expenditure, and consideration of the timing of any accrual entries

  - uncommitted funds
  - any planned operating or finance leases, capital works, minor new works or depreciation on assets purchased
- use good decision-making practices, including keeping records of:
  - how estimates were calculated
  - the reasons for key decisions
  - the key actions for each job, and the delegate responsible for the job performance and budget
  - how planned profits from trading and fundraising activities are to be used to benefit the school
  - considerations of impacts on projected future year budgets
- attach supporting documents in CiA
- identify how funds for specific student needs are being used for those needs, for example students from an Aboriginal background and students with a disability
- budget to allocate funds received for the current student cohort against expenditure incurred by the current cohort:
  - create future year reserves jobs if these funds need to be spent in future years, this applies to all funds, including trading and fundraising profits
  - further information can be found in the FARMS manual's Funding - government chapter, or the School cash policy and guidelines in the PAL
- budget for the use of all school funds above the cash benchmark
- fully cost trading activities, including use of administrative employees and facilities, if the activity is not fully self-funded, document the reasons the school will continue the activity
- seek school body approval for the SH budget prior to the commencement of the budget year, following approval, the principal will:
  - monitor the school's financial performance against the budget and report to the school body
  - use the SH forecast tool to consider SH budget revisions
  - seek school body approval for any SH budget revision outside the school body preapproved alteration limits.
- table the approved SH budget at the first meeting of the new school body in the funding year.

Principals must not:

- budget more than $5,000 to a discretionary job, such as a contingency job or principal's initiative job where the expenditure is not specifically given to an activity
- use funds given to a discretionary job except for unplanned emergencies.

5.2.8. School resourcing fund

The department may repurpose unspent NT Government school funding through the school resourcing fund (SRF) to schools with identified needs. Funds are repurposed by adjustments to impacted schools' budgets and used in a targeted manner to support students across the system. Principals should consider the school's possible contribution to the school resourcing fund and incorporate this in budget considerations.

Principals must:

- ensure effective and transparent resource management that manages risk in line with legislation and department policy, by effectively implementing internal controls such as systems, policies, processes, procedures and adequately training staff
- ensure records in the school financial accounting software are aligned with best practice record characteristics, such as complete, accurate, reliable, secure and retained
- ensure funds are spent in line with the school's strategic priorities to deliver improved outcomes to students, when accessing the fund
- submit an SRF project application in consultation with the school body
- assess and plan to meet the needs of the current student cohort in consultation with relevant stakeholders, including the SDE.

Principals must not:

- overstate future-year reserves jobs to manipulate the amount of uncommitted cash used to calculate the school resourcing fund contributions.

Schools will not be able to carry over unspent surplus DH funds from one calendar year to the next. These funds will be recovered and form part of the SRF.

Further information can be found in the Surplus and deficit policy, the School cash policy and guidelines and the School resourcing fund policy and guidelines in the PAL.

5.3. School body responsibilities

5.3.1. Cash benchmark

School bodies must:

- provide strategic oversight in the development of the SH budget.
- budget to keep the cash benchmark funds uncommitted
- budget to spend all funds above the cash benchmark according to the school's operational needs and student needs profile
- consider a motion passed at a meeting for an adjusted cash benchmark if needed and record the outcome in the minutes, and in the decisions register.

5.3.2. Annual budget management cycle

School bodies must:

- ensure all steps for SH funds are followed as per Table 5.2 below:

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

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

5.3.3. Consolidated budget

The consolidated budget is the combined DH funds and SH funds budgets for the school.

Further information on SH funds and DH funds budgets can be found in the SH funds budget and DH sections of this chapter.

5.3.4. Department-held funds budget

School bodies have no responsibilities regarding DH funds.

5.3.5. Future year reserves

School bodies must:

- consider a motion to create a new future year reserve job, modifications to a future year reserve plan and future year reserve job closures, including capital works – major and minor from SH funds
- consider individual future year reserves by a motion, after confirming in-principle approval by the SDE and assessing whether the purpose of the funds meet the school's strategic and operational needs, how the future year reserve funds were costed, and when the funds are planned to be spent
- monitor any funds saved for future year projects to confirm they will be spent as planned
- ensure that all motions considered are recorded in the school body minutes and the outcome recorded in the decisions register with all actions to be completed by the end of July each year.

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

5.3.6. School contributions

School bodies must:

- review planned contributions within the SH budget.

5.3.7. School-held fund budget

School bodies must:

- consider the SH funds budget
- review mandated financial reports
- consider any changes with any SH funds budget revisions
- pass a motion of preapproved alteration limits for the principal to make adjustments throughout the year, as operationally required
- record the outcome of decisions related to the SH budget in the minutes, and in the decisions register.

5.3.8. School resourcing fund

School bodies must:

- consult with the principal regarding any SRF project applications and ensure the project aligns to ASIP and other school priorities
- note any uncommitted funds at the end of the year are subject to the SRF recovery.

5.4. Resources

Resources	
Annual School Improvement Plan	https://elearn.ntschools.net/school-improvement/set-goals/annual-school-improvement-plan
Ci Anywhere	https://ntdoe.t1cloud.com/
Department of Logistics and Infrastructure	https://dli.nt.gov.au/homepage
Explicit Improvement Agenda	https://elearn.ntschools.net/school-improvement/set-goals/explicit-improvement-agenda

Resources	
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira portal	https://jira.nt.gov.au/servicedesk/customer/portal/115
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library
SRMMS – Convert an annual planning scenario to a different funding year	https://elearn.ntschools.net/policies/5078

5.5. Policies and guidelines

Policies and guidelines	
Application for financial support	https://elearn.ntschools.net/policies/5078
Back-to-school payment scheme	https://elearn.ntschools.net/policies/4651
Preventing salary overpayments	https://elearn.ntschools.net/policies/5554
School cash policy and guidelines	https://elearn.ntschools.net/policies/5078
School resourcing fund - policy and guidelines	https://elearn.ntschools.net/policies/6550
School resourcing model – overview and information guide	https://elearn.ntschools.net/policies/5078
School resourcing model management system updates in 2025	https://elearn.ntschools.net/policies/5078
Students with disability funding	https://elearn.ntschools.net/policies/5078
Surplus and deficit policy	https://elearn.ntschools.net/policies/5078

5.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Bank Accounts
Cash Management
Funding
Procurement and expenditure management
Reporting
Taxation

5.7. Governing legislation

Governing Legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015

5.8. Acronyms

Acronyms	Full form
ADSFI	Assistant Director of School Financial Improvement
AGM	Annual general meeting
ASIP	Annual school improvement plan
BTS	Back-to-school
CiA	Ci Anywhere
CE	Chief Executive
CFO	Chief Financial Officer
DCDD	Department of Corporate and Digital Development
DH	Department-held
DLI	Department of Logistics and Infrastructure
EIA	Explicit improvement agenda
FMA	Financial Management Act
FARMS	Finance and resource management for schools
NT	Northern Territory
NUMR	Non-urgent minor repairs
PAL	Policy and advisory library
SBS	School Business Services
SBS-Finance	School Business Services - Finance
SDE	Senior Director Education
SH	School-held
SRB	School representative body
SRF	School resourcing fund
SRM	School resourcing model
SRMMS	School resourcing model management system

6. Cash management

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

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

6.1. General information

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

6.1.1. Cash benchmark

The cash benchmark is a calculation to determine the amount of SH funds that must remain uncommitted within the main school bank account.

Further information regarding the cash benchmark can be found in the FARMS manual's Budget management chapter and the School cash policy and guidelines in the Policy and advisory library (PAL).

6.2. Principal responsibilities

6.2.1. Banking cash

Principals must:

- deposit all cash into the appropriate school bank accounts at least weekly to minimise cash on premises
- bank cash receipts in their entirety, without using cash on hand for any other purpose
- assess the risk of the levels of cash held at the school and bank more often to reduce risks, large schools are likely to need to bank daily, and more than once a day in peak times
- consider more physical security to reduce risk if the school's remoteness prevents frequent banking
- reconcile all cash received to receipts before banking
- make sure the person who prepares the deposit slip is not the person who deposits the money at the bank wherever possible
- investigate and resolve any discrepancies where cash received do not reconcile to receipts issued
- use a bank that is close to the school or an Australia Post outlet if it accepts cash deposits
- during holiday periods when the school is unattended, ensure cash is banked where practicable or secured appropriately to minimise the risk of theft.

Principals must not:

- use cash held to pay for expenses before cash being deposited into the school's bank account
- use cheques as a payment method.

6.2.2. Cash handling

Cash must be handled in a way that minimises the risk of losses and protects the school's assets and employees.

Principals must:

- minimise the amount of cash held by the school through prompt banking, accepting electronic payments and avoiding the use of petty cash where possible
- implement physical security controls to keep cash secure, like storing cash in a locked safe before depositing it in the bank
- train employees to handle cash
- move cash using a strong cash box and have 2 employees present when collecting cash
- assess cash handling risks and implement risk mitigation strategies as required.

6.2.3. Cash receipting

Schools receive cash from activities like selling food at the canteen, uniform sales and excursion money paid by parents.

Principals must:

- accept:
    - only Australian bank notes and coins
    - large quantities of coins at the discretion of the principal
    - cash only at the front office, the canteen or another designated cash receipting site recorded in writing
- make sure:
    - the designated cash receipting sites at the school, such as the front offices and canteen, have effective internal controls in place
    - cash collected away from a cash receipting site for acceptable business reasons must be taken to a cash receipting site at least daily and receipted, acceptable business reasons include class collection of funds from students of $20 or less per student, approved fundraising activities or school community events and curriculum activities
    - cash is counted by 2 employees in a secure room wherever possible
- issue:
    - a tax invoice within 28 days for cash sales greater than $82.50 including GST when requested, this is an Australian Taxation Office requirement
    - an official receipt from non-canteen receipting sites to acknowledge the receipt of cash.

Principals are responsible for ensuring an official receipt from non-canteen receipting sites is issued that includes:

- a unique receipt number
- the school's Australian business number (ABN)
- the date the cash was received
- the amount of cash received
- the purpose of the cash collected.

Principals are responsible for ensuring appropriate internal controls are in place to support cash receipts including:

- employees cancelling and retaining any receipts with errors and re-issuing of a new receipt
- employees reconciling cash received to receipts daily
- employees recording all cash receipts in Ci Anywhere (CiA) daily, further information regarding cash recordings can be found in the FARMS manual's Accounting chapter
- employees investigating and resolving any discrepancies where cash received does not reconcile to receipts issues
- employees reporting losses of cash received to the school body
- employees to write-off losses of cash that cannot be recovered.

Principals must not:

- accept foreign currency
- accept cheques as a payment method
- alter any receipt: if an error is made, the receipt must be legibly marked as cancelled and a new receipt issued.

6.2.4. Custody of cash

When cash changes hands, custody of the cash moves from one person to another.

Principals must:

- keep records of transfers of cash custody through:
    - official receipts where cash is received at a non-canteen receipting site
    - completing petty cash dockets where cash is provided in advance for a purchase or in arrears for a reimbursement
    - completing a petty cash custodian form when a person is made custodian
    - completing cash custody dockets where cash custody is transferred.

Further information can be found in the School cash policy and guidelines in the PAL.

6.2.5. Debit cards

A debit card is issued on an approved school bank account. The school must first obtain approval to open a debit card or bank account. All card use must follow school financial policies, with no personal purchases allowed.

Principals must:

- seek approval from CE to issue a card on a new or current additional bank account
- make sure receipts for expenditure from the card are kept
- only allow a statutory declaration to be used to account for payments from a load and go card where a cash withdrawal has been pre-approved for activities that require cash, for example giving cash to students on an excursion to buy their own lunch at a market
- make sure CiA shows if all allocated funds were not spent and take the residual balance into account if reloading the card for another purpose

- ensure that the card is secured at all times in a locked, non-visible location. It must never be stored in easily accessible places such as drawers, shelving or bags. Access should be restricted to authorised staff only.

Further information regarding debit cards can be found in the Bank accounts chapter of this FARMS manual.

6.2.6. Load and go cards

A Load and go card is a reloadable prepaid card.

Load and go cards should only be used in exceptional circumstances, specifically if the school does not have access to a debit card and may only be used for an adhoc activity such as an excursion where petty cash cannot be used.

Load and go cards must not exceed a pre-approved transaction limit and a maximum card balance.

Fund transfers from school bank accounts to a load and go card need to be accounted for in a similar way to petty cash and consistent with all other types of school expenditure. This includes ensuring all allocated funds are spent and schools must ensure that the residual balance is taken into account if reloading the card for another purpose.

Principals must:

- verify the business need for a load and go card
- seek school body approval to obtain a load and go card
- record load and go cards in a CiA float asset account
- pre-approve purchases made with load and go cards before purchases are made
- include expenditure from load and go cards as part of the SH funds budget
- make sure receipts for expenditure from the card are kept
- only allow a statutory declaration to be used to account for payments from a load and go card where a cash withdrawal has been pre-approved for activities that require cash, for example giving cash to students on an excursion to buy their own lunch at a market
- make sure CiA shows if all allocated funds were not spent and take the residual balance into account if reloading the card for another purpose
- ensure that the card is secured at all times in a locked, non-visible location. It must never be stored in easily accessible places such as drawers, shelving or bags. Access should be restricted to authorised staff only.

6.2.7. Petty cash

Reimbursements for purchases made on behalf of the school should be paid by electronic deposit direct into the purchaser's bank account. Petty cash funds can be used for reimbursing low value expenses or to provide cash in advance for approved low value purchases.

Managing petty cash can be time-consuming for administrative employees, and there are risks of cash losses and inappropriate purchasing practices. Schools may choose not to use petty cash at their school.

Principals must:

- pre-approve purchases made with petty cash before the purchases are made, consistent with all other types of school expenditure

- include expenditure from petty cash as part of the SH funds budget, consistent with all other types of school expenditure
- limit:
  - petty cash transactions to a maximum of $50 per transaction; the school may set a lower limit
  - the amount of petty cash held in the school to $200 per campus, unless authorised to hold higher amounts; seek advice from School Business Services (SBS-Finance) via a Jira ticket if additional petty cash floats are required
- record all expenditure paid from the petty cash float on a petty cash form that documents:
  - the date of the payment
  - the goods or services obtained using the petty cash
  - the signature of the person collecting the cash and the petty cash custodian
  - who the petty cash was given to
  - if the petty cash provided was a reimbursement or an advance
- require petty cash users to provide a receipt or paid tax invoice, if a tax invoice or receipt is not possible, the user should complete a statutory declaration including how the funds were used and why the receipt or tax invoice was not available
- discourage use of statutory declarations as they prevent the school from claiming goods and services tax on the purchases, and consider that if petty cash users repeatedly do not provide receipts when available, whether that person should have continued access to petty cash and document why they should retain access or have access removed
- implement physical security controls to ensure petty cash and petty cash forms are kept secure
- appoint a custodian of the petty cash float who is a full-time school-based employee
- document the custodian of the petty cash float in the school handover form in CiA
- report losses of petty cash to the school body
- write-off losses of petty cash that have ceased to be recoverable
- review the need for the petty cash float annually and close it if it's no longer needed
- reconcile:
  - the petty cash before the float is replenished, ensuring petty cash on hand plus supporting documentation and receipts add up to the total petty cash float amount
  - petty cash at least monthly or more often if required
- bank the petty cash float into the school's main bank account during school holidays even if employees are onsite and by the CiA ledger close date each year.

Principals must not:

- allow:
  - transactions to be split into smaller amounts to avoid the petty cash maximum of $50 per transaction
  - petty cash to be used to pay for any official travel related expenses, further information regarding official travel can be found in the PAL
  - wages and allowances to be paid using petty cash
  - personal expenses of any nature, including borrowing or entertainment expenses to be paid using petty cash
- leave petty cash on school premises during holiday periods when the school is unattended.

6.2.8. Point of sale floats

Schools may have cash registers that require floats so they can give change.

Principals must:

- seek approval via a Jira ticket to SBS-Finance if the point-of-sale float amounts required exceed $200 per float
- also seek approval via a Jira ticket to SBS-Finance if floats required exceed:
  - for small schools – 2 floats
  - for medium schools – 4 floats
  - for large schools – 6 floats
- have a documented end of day procedure for all point-of-sale floats
- make sure floats are banked whenever the school does not have administration employees working on site for 3 weeks or more, including during the mid-year break and over the end of year break
- bank the petty cash float into the school's main bank account during school holidays even if employees are onsite and by the CiA ledger close date each year.

6.2.9. Providing banking services

Schools are not banks, so they should not provide bank-like services.

Bank-like services include activities such as:

- receiving payments on behalf of individuals or organisations as an intermediary
- giving change to individuals or organisations in exchange for the same funds in higher denominations
- holding funds on behalf of individuals, groups or organisations, like funds being held in a bank account
- withholding funds from employees' entitlements for payments of personal expenses or for deferred payment to the employee.

6.2.10. Storing cash

Cash, debit cards and load and go cards held on school grounds must be stored in secure, locked containers that are not portable, such as safes or fireproof lockable cabinets. In all instances, these must not be accessible or visible to non-authorised users.

Further information regarding internal controls for the physical security of cash can be found in this chapter of the FARMS manual.

6.2.11. Temporary floats

Sometimes schools may need small floats for other temporary activities, such as fundraising events or student small business activities.

Principals must:

- keep records of all temporary floats issued, including the:
  - purpose
  - planned date the float will be issued and returned
  - actual date the float was issued and returned
  - amount
  - person given custody
- record the float on the balance sheet when issued and returned in full, any difference must be recorded as income or expenditure
- make sure temporary floats are as small as practical for the purpose and should not exceed $200
- make sure all floats are banked into the school's main bank account by the CiA ledger close date each year.

6.2.12. Transporting cash

Principals must:

- consider if:
  - cash-in-transit insurance is required to mitigate risks
  - the person transporting the cash should be escorted
- make sure cash is carried in bags that do not appear to be specifically for carrying cash
- make sure deposits are made at various times of the day using different routes and different people if possible.

6.3. School body responsibilities

6.3.1. Load and go cards

School bodies must:

- minute the approval to obtain a load and go card
- ensure the minutes include:
  - the approval to obtain a load and go card
  - the purpose for which the cards are to be used
  - the maximum transaction limit and maximum card balance
  - the secure location of where the load and go card will be stored
- record the outcome in the school body decisions register.

6.4. Resources

Resources	
ABN Lookup	https://abr.business.gov.au/
Australian Taxation Office	https://www.ato.gov.au/
Ci Anywhere	https://ntdoe.t1cloud.com/
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portals
Petty cash reconciliation template	https://elearn.ntschools.net/media/file/9555
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library

6.5. Related policies and guidelines

Policies and guidelines	
Official travel	https://elearn.ntschools.net/policies/4178
School cash policy and guidelines	https://elearn.ntschools.net/policies/5078
School procurement guidelines	https://elearn.ntschools.net/policies/7762

6.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Bank accounts
Budget management
Procurement and expenditure
Reporting
School financial assurance

6.7. Governing legislation

Governing legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Procurement Act 1995	https://legislation.nt.gov.au/Legislation/PROCUREMENT-ACT-1995

6.8. Acronyms

Acronyms	Full form
ABN	Australian business number
CE	Chief Executive
CiA	Ci Anywhere
FARMS	Finance and resource management for schools
PAL	Policy and advisory library
SBS-Finance	School Business Services - Finance
SH	School-held

7. Chart of accounts

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

7.1. General information

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

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

7.1.1. School-held Ledger

The School-held ledger is a chart of accounts made up of three components to generate a 14-character account string.

School		Natural Account		Job Code
XXX	-	YYYYY	-	XXXCZZ

All transactions relating to school-held funds in CiA are coded to this account string.

Where:

- XXX is the CiA unique school ID/code
- YYYYY is the Natural Account
- XXXCZZ is the Job Code: includes school ID.

Transactions in the School-held Ledger are dispersed to the General Ledger.

7.1.2. Natural account component

Natural accounts are standardised by the department, and schools do not have the ability to modify them. Not all natural accounts will be used by all schools.

Balance Sheet Accounts:

- 1xxxx – Assets
- 2xxxx – Liabilities
- 3xxxx – Equity.

Profit & Loss Accounts:

- 4xxxx – Income
- 6xxxx – Expenses
- 8xxxx – Other Income
- 9xxxx – Other Expenses.

7.1.3. Job code component

Job codes, similar to a cost centre, are school specific and are created and monitored by schools for as different budget areas. They always start with the three-digit school ID, then a standard category, and a sequential number in the format of XXXCZZ.

For example: Crocodile Springs School

School		Natural Account		Job Code
998	-	65150	-	998O13

Categories include:

- A – Agency
- P – Preschool
- D – Diversion
- R – Reserves
- F – Fundraising
- S – Strategies
- G – Grants
- T – Trading
- O – Operational
- V – Vocational education and training (VET)
- X – Not classified - only to be used for prior year journals
- Default job code - only to be used for balance sheet transactions for example goods and services tax (GST).

Schools can create new job codes by submitting a Job code maintenance form.

7.2. Principal responsibilities

Principals must:

- ensure all transactions are costed to an appropriate account string to align with their approved budget
- create or delete job codes as appropriate in the correct naming convention
- record GST and pay as you go (PAYG) as shown in the CiA chart of accounts
- obtain school body approval and Senior Director Education (SDE) approval to create new or renamed future year reserves jobs in CiA.

7.3. School body responsibilities

School bodies must:

- keep separate records of transactions for each account the school has, through standard financial record keeping practices
- consider a motion proposed at a meeting to create new future year reserve jobs, future year reserve job name changes and future year reserve job closures
- ensure all motions must be recorded in the school body meeting minutes and the outcomes recorded in the school body decision register.

Further information regarding future year reserves can be found in Chapter 5 – Budget Management and Chapter 13 - Infrastructure of this FARMS manual, and the School cash policy and guidelines in the Policy and advisory library.

7.4. Resources

Resources	
Chart of accounts | School finance knowledge base	https://confluence.nt.gov.au/display/SFSH/Chart+of+Accounts
Ci Anywhere	https://ntdoe.t1cloud.com/
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira portal	https://jira.nt.gov.au/servicedesk/customer/portal/115
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library

7.5. Policies and guidelines

Policies and guidelines	
School cash policy and guidelines	https://elearn.ntschools.net/policies/5078

7.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Budget Management
Infrastructure

7.7. Governing legislation

Governing legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015

7.8. Acronyms

Acronyms	Full form
CE	Chief Executive
CiA	Ci Anywhere
FARMS	Finance and resource management for schools
GST	Goods and services tax
PAYG	Pay as you go
SDE	Senior Director Education
VET	Vocational education and training

8. Funding - government

The Act and the Education Regulations 2015 (the Regulations) set out the governing arrangements for Northern Territory (NT) Government school funding.

8.1. General information

8.1.1. Department funding

The Department of Education and Training (department) provides annual funding to Northern Territory (NT) Government schools using the approved School resourcing model (SRM) methodology. SRM funding is sourced from the NT Government and the Australian Government. Schools have accountabilities under both the Act and the *Australian Education Act 2013* (Cth).

The department uses the SRM to calculate how much funding it provides to each school based on student needs.

The SRM has 3 funding components:

1. Student funding - This component meets the needs of students with various weightings, such as year level, Aboriginality, and English as an additional language or dialect. It is determined using the Student needs-based funding formula, and is used to fund teachers, support staff, and program costs.
2. Targeted program funding – to separately fund department-approved programs:
    a. Driven by educational needs for a large number of schools, for which there is currently no weighting within the Student needs-based funding formula, for those needs.
    b. For specific programs that are unique to individual schools, provided to a small group of schools or for programs that deliver services to schools.
3. Facility funding - for the fixed costs of school operations, such as grounds maintenance, cleaning, utilities, and non-urgent minor repairs.

Schools must manage within available resources to deliver quality education programs that meet the learning and well-being needs of the current cohort of students in the year the resourcing is provided. This may include committing some of these funds for future expenditure related to this cohort or longer-term strategic projects.

An additional per-school allocation, known as centrally funded direct school costs, is retained and administered by the system on behalf of schools. This covers direct costs such as teacher remote locality allowances, principals' salaries, teacher relocation, and remote study leave.

Each school determines the SRM funding to be:

- retained by the school-managed Department-held (DH) Ledger in the Government Accounting System (GAS) and administered via the School Resource Model Management System (SRMMS) or
- transferred as a cash grant to the school body bank account and administered through the School-held (SH) Ledger in Ci Anywhere.

School body SH bank accounts may include:

- SRM funding taken as cash grants
- money raised from CE approved activities to be spent on or for the school
- other grants made to the school from the department or other third parties.

8.1.2. Back-to-School payment scheme

The Back-to-School (BTS) payment scheme is an NT Government initiative to support parents to pay for certain school related costs to support student learning, removing potential barriers for students to engage in school. Funding is provided to schools through the SRM.

The scheme is administered by schools and provides parents of eligible students with a one-off entitlement of $200. The scheme must not be used to support the provision of standard curriculum or to redeem parent voluntary contributions.

Schools are not required to acquit the funds provided under the scheme.

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

8.1.3. Swimming and water safety

The Swimming and water safety in schools scheme is an NT Government initiative that provides for the delivery of quality swimming and water safety education so that all students in Years 1 to 6 in the NT have the opportunity to learn how to swim and develop lifelong skills in water safety to reduce their risk of drowning and injury. Funding is provided to schools through the SRM.

Schools are not required to acquit the funding provided under the scheme, further information on the scheme can be found in the PAL.

8.1.4. Application for financial support

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

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

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

Further information can be found in the Application for financial support policy and guidelines in the PAL.

8.1.5. Ownership and control of funds

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

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

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

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

8.1.6. Chief Executive approved activities for schools to raise money

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

CE approved activities for schools to raise money include:

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

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

8.2. Principal responsibilities

8.2.1. Department-held funds

Funds held for the NT Government school in DH funds are subject to the requirements of the *Audit Act 1995*, the *Financial Management Act 1995*, and the *Procurement Act 1995*. The Treasurer's Directions also apply to these funds. These funds belong to the Minister on behalf of the NT Government.

Principals must:

- comply with the requirements for the use of NT Government funds by agencies
- comply with their responsibilities for DH funds detailed in the FARMS manual.

8.2.2. School-held funds

Principals must:

- comply with their responsibilities for SH funds detailed in the FARMS manual
- receipt recurrent funding in the official school bank account and retain in that account until:
  - it is expended for the purpose it was provided
  - it is transferred to a debit card account compliant with the debit card requirements, further information can be found in the FARMS manual's Bank accounts chapter
  - it is transferred to a higher interest earning account, such as a term deposit
  - directed to transfer the funds to another school or agency account by the CE.

8.2.3. Back-to-School payment scheme

Principals must:

- record BTS funds received from the department as revenue
- record parent use of BTS funds to the relevant areas of the budget, for example uniforms
- maintain appropriate records and be able to provide parents with a record of expenditure on request.

8.2.4. Swimming and water safety

Principals must:

- record Swimming and water safety funding as revenue
- record expenditure for Swimming and water safety to a separate job code.

8.2.5. Application for financial support

Principals must:

- identify and promptly advise their school Assistant Director School Financial Improvement (ADSFI) and Senior Director Education (SDE) if the school is incurring excessive costs or significant changes in funding due to unforeseen circumstances, including because of enrolment increases
- where relevant, assess whether the school satisfies the conditions required to be eligible
- work in partnership with the business manager and other relevant divisions such as School Leadership, Culture and Care or Inclusion and Engagement Services to proactively plan for budget pressure
- review the consolidated financial position and discuss applications for financial support with their business manager, school ADSFI and SDE before submission
- create a Jira ticket for progression to their school ADSFI. The Jira ticket will be used to monitor the progress of the application
- ensure all requested information is provided with the application for financial support in line with these guidelines and procedures.

8.3. School body responsibilities

8.3.1. Department-held funds

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

8.3.2. School-held funds

School bodies must:

- meet their responsibilities for all SH funds, including funds raised by the school, as detailed in the FARMS manual
- record motions proposed at meetings to:
    - consider the fees to be charged for hiring school facilities
    - consider the voluntary contributions to be requested and how the funds raised will be spent
    - consider trading activities and how the funds raised will be spent

  - make sure goods and services are sold on a cost recovery basis, including any transport or administration costs, the sales price calculation methodology must be documented
  - keep a record of goods and services that will be offered for parents to redeem their Back-to-School funds
  - consider fundraising events and how the funds raised will be spent
  - consider all other activities to raise money and how the funds will be spent
  - consider future year reserves jobs
- ensure all motions proposed and considered and the outcome of the decision is recorded in the school body meeting minutes and noted in the school body decision register.

8.4. Resources

Resources	
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portal/115
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library
School Resourcing Model Management System (SRMMS)	http://srm.ntschools.net
Students with disability – Australian Government	https://www.education.gov.au/swd

8.5. Related policies and guidelines

Policies and guidelines	
Application for financial support	https://elearn.ntschools.net/policies/5078
Back-to-School payment scheme	https://elearn.ntschools.net/policies/4651
Coordinated funding model	https://elearn.ntschools.net/policies/6773
Overview of Government school funding – transition to year 12	https://elearn.ntschools.net/policies/5078
Procurement for schools	https://elearn.ntschools.net/policies/7762
School resourcing model – overview and information guide	https://elearn.ntschools.net/policies/5078
SRB - Limits on financial powers	https://elearn.ntschools.net/policies/6771
Swimming and water safety	https://elearn.ntschools.net/policies/3538

8.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Bank accounts
Budget management
Governance

8.7. Governing legislation

Governing legislation	
Audit Act 1995	https://legislation.nt.gov.au/en/Legislation/AUDIT-ACT-1995
Australian Education Act 2013 (Cth)	https://www.legislation.gov.au/C2013A00067/latest/text
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Financial Management Act 1995	https://legislation.nt.gov.au/en/Legislation/FINANCIAL-MANAGEMENT-ACT-1995
Procurement Act 1995	https://legislation.nt.gov.au/en/Legislation/PROCUREMENT-ACT-1995

8.8. Acronyms

Acronyms	Full form
ADSFI	Assistant Director School Financial Improvement
BTS	Back-to-School
CE	Chief Executive
Cth	Commonwealth
DH	Department-held
FARMS	Finance and resource management for schools
GAS	Government Accounting System
NT	Northern Territory
NUMR	Non-urgent minor repairs
PAL	Policy and advisory library
SDE	Senior Director Education
SH	School-held
SRM	School resourcing model
SRMMS	School Resource Model Management System
TRM	Territory Records Manager

9. Funding – self generated

Schools may receive funding from sources other than the Northern Territory (NT) Government. Further information regarding these additional funding sources can be found in the Funding – NT Government or Funding – additional sources chapters of the FARMS manual.

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

9.1. General information

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

Schools must have written approval from the CE to undertake any activities to raise money that are not listed at 9.1.2. - Chief Executive approved activities for schools to raise money. Schools will need to apply for each individual activity, but in some cases, the CE may publish written approval that authorises more than one school to accept funds from a certain source or activity.

All activities that require CE approval must be discussed with the relevant Senior Director Education (SDE) prior to being submitted to the CE.

9.1.2. Chief Executive approved activities for schools to raise money

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

Table 9.1 CE approved activities for school bodies to raise money include:

Self-Generated funding
• hiring out school facilities or property when they are not needed for school purposes for the benefit of the whole community, refer section 107(1)(f) of the Act
• accepting donations for a specific purpose of the school
• operating Outside of School Hours Care (OSHC) program
• running a school canteen for the school's students and employees
• fundraising events held on or off the school premises, including fetes, dances, concerts, other community events, and sales of food or other goods
• fundraising raffles and events where the total value of the funds raised from the sale of tickets is $5,000 or less.
• where the school anticipates it will raise over $5,000 from fundraising activities, including from raffles, ticket sales and entry fees, they will need to apply for a minor lottery permit under the *Gaming Control Act 1993* and the NT Code of Practice for Responsible Gambling. The school is required to maintain a record of the approved lottery permit.
• selling items no longer required by the school, such as replaced IT equipment
• selling goods to members of the school community on a cost recovery basis, all costs should be considered when developing the sale price and the calculations documented:

Self-Generated funding
– cost recovery may include the purchase cost of the good or service, freight, administrative costs such as cleaning, packaging, and employee costs related to managing and selling the goods and services • sales may include items and services such as uniforms, student ID cards and year books, school photos may also be sold by the school if the school has purchased photos from a supplier or has generated the photos in-house.

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

9.1.3. Fundraising from external sources

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

- school body income
- student income
- other income.

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

9.1.4. Money raising activity requirements

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

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

9.1.5. Ownership and control of funds

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

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

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

9.1.6. School fees and voluntary contributions

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

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

Voluntary contributions are a parent donation that provides additional funding for a specific purpose.

School bodies determine voluntary contributions in consultation with their school community.

Further information regarding school fees and voluntary contributions can be found in the: School fees and voluntary contributions policy and guideline, in the Policy and advisory library (PAL).

9.1.7. Trading activities that are not pre-approved

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

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

Trading activities must:

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

Trading activities must not:

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

9.2. Principal responsibilities

9.2.1. Money raised carrying out activities approved by the Chief Executive

Principals must:

- make sure money raising are listed in the pre-approved activities table by the CE, as per 9.1.2.
- make sure any activities that are not listed in 9.1.2 are approved by the CE
- make sure money held by the school on behalf of others is consistent with activities approved by the CE and money raising requirements

- recommend to the school body the fees to be charged for hire of school facilities, making sure all costs are covered by the hire fee, the user has suitable insurance, and the agreement is made in writing and has suitable terms and conditions to protect the school
- recommend to the school body an amount to be requested for voluntary contributions and how funds raised will be used.

All activities that require CE approval must be discussed with the relevant SDE prior to being submitted to the CE.

9.3. School body responsibilities

9.3.1. General requirements

School bodies must:

- meet their responsibilities for all SH funds, including funds raised by the school, as detailed in the FARMS manual
- ensure all trading activities are approved and recorded in the school body meeting minutes, monitored by the school body, and recorded in the school body's decision register
- approve the fees to be charged for hire of school facilities, this approval must be recorded in the school body meeting minutes and recorded in the school body's decision register
- ensure they are aware of all compliance standards
- ensure all fundraising activities are compliant with the pre-approved list approved by the CE, as per 9.1.2.

School bodies must not:

- raise money from activities that have not received prior approval by the CE.

9.4. Resources

Resources	
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portal/115
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library
School resourcing model	https://elearn.ntschools.net/policies/5078

9.5. Related policies and guidelines

Policies and guidelines	
Application for financial support	https://elearn.ntschools.net/policies/5078
Code of Practice for Responsible Gambling 2022	https://nt.gov.au/industry/gambling/gambling/gambling-codes-of-practice/nt-code-of-practice-for-responsible-gambling
Coordinated funding model	https://elearn.ntschools.net/policies/6773
School resourcing model	https://elearn.ntschools.net/policies/5078

Policies and guidelines	
School fees and voluntary contributions policy and guideline	https://elearn.ntschools.net/policies/8207
SRB - Limits on financial powers	https://elearn.ntschools.net/policies/6771

9.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Bank accounts
Budget management
Funding – self-generated
Governance
Taxation

9.7. Governing legislation

Governing legislation	
Audit Act 1995	https://legislation.nt.gov.au/en/Legislation/AUDIT-ACT-1995
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Financial Management Act 1995	https://legislation.nt.gov.au/en/Legislation/FINANCIAL-MANAGEMENT-ACT-1995
Gaming Control Act 1993	https://legislation.nt.gov.au/Legislation/GAMING-CONTROL-ACT-1993
Procurement Act 1995	https://legislation.nt.gov.au/en/Legislation/PROCUREMENT-ACT-1995

9.8. Acronyms

Acronyms	Full form
BTS	Back-to-School
CE	Chief Executive
DH	Department-held
FARMS	Finance and resource management for schools
NT	Northern Territory
OSHC	Outside of School Hours
PAL	Policy and advisory library
SDE	Senior Director Education
SH	School-held

10. Funding – additional sources

Schools may receive funding from additional sources other than the Northern Territory (NT) Government or from fundraising. They may be eligible to apply for funding or grants from sources other than NT Government agencies. These include funds from other governments and philanthropic organisations. Written approval from the CE is required to accept funding from these sources. Further information can be found in the Funding – government, or Funding – self generated chapters of the FARMS manual.

10.1. General information

10.1.1. Ownership and control of funds

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

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

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

For school bodies where a multi-school management council or school management council has been established, the school management council manages the funds on the school bodies behalf.

Further information can be found in Table 1.1: Finance and resource management functions by school body types in the FARMS manual's Governance chapter.

10.1.2. Funds from sources other than the department

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

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

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

Requirements principals must apply to accepting funds from other sources include:

- having internal controls in place to ensure the school only accepts and receives funding that is approved by the CE and consistent with money raising requirements

- making sure these requirements are in place before accepting funds from any source:
    - the funding or grant is CE approved, further information regarding funding and grants approved by the CE can be found in the Funding – self generated chapter of the FARMS manual
    - any funding or other agreements entered are in line with the limits on power to enter agreements
    - a copy of any funding or other agreement is kept in line with school record-keeping requirements; further information can be found in the FARMS manual's Accounting chapter – School bodies– limits on powers to enter into agreements.
    - the funds received are correctly recorded in Ci Anywhere (CiA), further information can be found in the FARMS manual's Accounting chapter
    - the funding or grant is accounted for during the SH funds budget preparation process and lines up with the school's improvement planning, for more information go to the FARMS manual's Budget management chapter
    - the funding or grant is spent in line with the funding or other agreement
    - all funding or grant agreement reporting obligations can be met.

For information on how to apply for a grant with CE approval, submit a Jira ticket, through the Education finance support tile to School Business Services. A link to the Jira portal can be found in the resources at the end of this chapter.

10.1.3. Chief Executive approved activities for schools to raise money

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

CE approved activities for schools to raise money include:

Additional sources funding
• capital grants from the Australian Government, capital or cyclical maintenance or minor new works
• holding or administering funds on behalf of others if: – directed by the department – the funds benefit the students at the school – the funds further the school's achievement of its strategic or operational goals.

Further information on CE approved activities for self-generated and NT Government funds is available in the Funding – government, and Funding – self-generated chapters of the FARMS manual.

10.2. Principal responsibilities

10.2.1. Funds received from external sources

Principals must:

- have internal controls in place to ensure the school only accepts and receives funding that is approved by the CE and consistent with money raising requirements
- make sure these requirements are in place before accepting funds from any source:
    - the funding or grant is approved by the CE

  - any funding or other agreements entered are in line with the limits on power to enter agreements
  - a copy of any funding or other agreement is kept in line with school record-keeping requirements
  - the funds received are correctly recorded in CiA, further information can be found in the FARMS manual's Accounting chapter
  - the funding or grant is accounted for during the SH funds budget preparation process, and lines up with the school's improvement planning, further information can be found in the FARMS manual's Budget management chapter
  - compliance with the agreement terms and conditions
  - the funding or grant is spent in line with the funding or other agreement
  - all funding or grant agreement reporting obligations can be met
- comply with the requirements for bonds, deposits held, trust monies and agency accounts detailed in the FARMS manual Accounting chapter if funds are being held on behalf of others.

Further information can be found in the Limits on powers to enter into agreements subchapter of this FARMS manual Accounting chapter and the School representative bodies – limits on financial powers guidelines in the Policy and advisory library (PAL).

10.3. School body responsibilities

10.3.1. General requirements

School bodies must:

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

10.3.2. Funds received from external sources

School bodies must:

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

All motions must be minuted and recorded in the school body's decisions register.

10.4. Resources

Resources	
FARMS Risk assessment checklist	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Grants NT website, advice and support	https://grantsnt.nt.gov.au/
Jira Portal	https://jira.nt.gov.au/plugins/servlet/desk/portal/115
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library

10.5. Related policies and guidelines

N/A

10.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Bank accounts
Governance
Funding – government
Funding – self generated
Infrastructure

10.7. Governing legislation

Governing legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015

10.8. Acronyms

Acronyms	Full form
CE	Chief Executive
CiA	Ci Anywhere
DH	Department-held
FARMS	Finance and resource management for schools
NT	Northern Territory
SH	School-held

11. Gifts, benefits, hospitality and entertainment – Under development

This chapter remains under development.

12. Human resources

The Finance and resource management for schools (FARMS) manual is the Department of Education and Training (department) official guideline for schools approved for publication by the Chief Executive (CE) under section 112 of the *Education Act 2015* (the Act).

12.1. General information

12.1.1. Training for staff

All school staff are required to complete mandatory training as determined by the department. A list of mandatory training can be found in eLearn.

Northern Territory (NT) Government employees must complete specified essential training modules accessed through NTG Central. A link to the essential training can be found in the resources at the end of this chapter.

12.1.2. Contact Details

For all feedback or enquires regarding HR matters, please submit an enquiry through the HR Services portal on NTG Central. A link to this portal can be found in the resources at the end of this chapter.

12.2. NT Public Sector Employees

NT Public Sector employees are employed under the *Public Sector Employment and Management Act 1993* (PSEMA) and Public Sector Employment and Management Regulations 2011 (PSEMA Regulations).

The PSEMA Regulations provide advice for matters including but not limited to:

- appeal boards
- appeals, such as inability, performance, discipline and promotion
- employee records
- resignation.

The Department of Corporate and Digital Development (DCDD) maintains the NTG Central website as the primary NT Government source of information in respect of human resource management and whole of government policies to be followed for all HR related actions. This resource should always be checked to ensure actions comply with requirements of the PSEMA and the PSEMA Regulations.

All NT Public Sector employees are recruited through eRecruit, managed via PIPS and MyHR, and their salaries are budgeted from each schools' department held funds.

Supplementary information, and that which applies more specifically to the department can be found on eLearn and in the Policy and advisory library (PAL). Links can be found in the resources and governing legislation tables at the end of this chapter.

12.2.1. Managing employees

All new employees are subject to a probationary period, and all employees should regularly participate in performance and development conversations.

Performance and development conversations may include, but are not limited to:

- completion of mandatory training
- conflict of interest, outside employment and flexible work agreements
- salary overpayments
- use of entitlements
- work performance and conduct in the workplace, including attendance

Many of these processes are online forms accessible on NTG Central.

Further information regarding salary overpayments can be found in the Preventing salary overpayments – frequently asked questions in the PAL. A link can be found in the Policies and guidelines at the end of this chapter.

The NT Public Sector Code of Conduct forms part of employment conditions for all employees. A link to the NT Public Sector Code of conduct can be found in the Policies and guidelines at the end of this chapter.

12.2.2. NT Public Sector non-teaching staff

NT Public Sector non-teaching staff are employed under the NT Public Sector 2025-2029 Enterprise Agreement (General EA) and the *Fair Work Act 2009* (Cth).

The General EA covers the below employees:

- Administrative officers
- Physical grade employees
- Professional officers
- School-based administration officers
- Technical employees.

The General EA covers:

- allowances
- flexible work including work life balance
- hours of work
- leave
- remuneration such as salaries, increments, superannuation, salary sacrifice
- types of employment.

This is not an exhaustive list, and further information can be found in the General EA relevant to the persons employment. A link to this resource can be found in the resources and governing legislation tables at the end of this chapter.

12.2.3. Principals and Teachers

NT Public Sector Teachers, and Principals that are not on executive contracts, are employed under the NTPS Educators 2024—2027 Enterprise Agreement (Educators EA) and the Fair Work Act 2009 (Cth).

The Educators EA covers the below employees:

- Aboriginal team teachers
- Authorised persons
- Classroom teachers, including relief teachers
- Principals; excluding Principals employed under Principal level executive contracts
- Senior teachers.

The Educators EA covers:

- classifications, salaries and allowances
- leave provisions
- procedural matters such as probation, individual flexible working arrangements, teacher transfer framework
- professional matters such as staff performance planning and review, professional development, training, management of unsatisfactory performance and disciplinary proceedings
- miscellaneous provisions
- remote localities
- types of employment
- work life balance provisions.

This is not an exhaustive list, and further information can be found in the Educators EA and NTG Central. A link to this agreement can be found in the resources table at the end of this chapter.

Further information regarding managing Educator roles can be found in the Teacher Responsibilities Guide in the PAL. A link to this guide can be found in the resources at the end of this chapter.

12.2.4. Principal level executive contracts

Principals employed as a Principal level executive contract (PLEC) are covered under Determination 1015 of 2026 issued by the Office of the Commissioner for Public Employment (OCPE).

Determination 1015 of 2026 set out terms and conditions for PLECs, including pay rates and a range of leave entitlements available under the General EA.

A link to this determination can be found in the Governing legislation section at the end of this chapter.

12.3. School body employees

School body employees are typically employed under the Educational Services (School) General Staff award 2020 (Cth) (MA000076) under the Fair Work Act 2009 (Cth), which defines their employment relationship with the school.

The General Staff award covers:

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

This is not an exhaustive list, and further information can be found under the Educational Services (School) General Staff award 2020 (Cth) (MA000076). A link to this award can be found in the resources table at the end of this chapter.

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

To support schools in managing school body employees, operational funding includes allocations that may be used for membership to the NT Chamber of Commerce or an alternative industrial relations expert. This flexibility allows schools to access tailored advice and resources on employment matters, particularly those governed by the Educational Services (School) General Staff Award 2020 (Cth) (MA000076) under the Fair Work Act 2009 (Cth).

12.4. Resources

Resources	
Australian Tax Office	https://www.ato.gov.au/
Ci Anywhere	https://ntdoe.t1cloud.com/
Chamber of Commerce NT	https://www.chambernt.com.au/
eRecruit	https://ntgcentral.nt.gov.au/search?searchterm=eRecruit
Essential training	https://ntgcentral.nt.gov.au/my-job/training-career-development/essential-training
Fair Work Ombudsman	https://www.fairwork.gov.au/
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira NTG Portal Hub	https://jira.nt.gov.au/servicedesk/customer/portals
HR Services Portal	https://jira.nt.gov.au/servicedesk/customer/portal/47
Mandatory training	https://elearn.ntschools.net/supporting-staff/professional-growth-and-learning/mandatory-training

Resources	
myHR	https://myhr.nt.gov.au
NTG Central	https://ntgcentral.nt.gov.au/
Office of the Commissioner for Public Employment	https://ocpe.nt.gov.au/
PIPS – Personnel information and payroll system	https://ntgcentral.nt.gov.au/online-systems/pips
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library
Professional growth – eLearn page	https://elearn.ntschools.net/supporting-staff/professional-growth-and-learning/professional-growth
Recruitment and selection – eLearn page	https://elearn.ntschools.net/policies/6227
Teacher Responsibilities Guide	https://elearn.ntschools.net/policies/6660

12.5. Related policies and guidelines

Policies and guidelines	
Code of Conduct in schools	https://elearn.ntschools.net/policies/3978
NT Public Sector Code of conduct	https://ntgcentral.nt.gov.au/my-job/my-responsibilities/code-of-conduct
Preventing salary overpayment – frequently asked questions	https://elearn.ntschools.net/policies/5554

12.6. Content referenced in other FARMS chapters

N/A

12.7. Governing legislation

Governing legislation	
Determination 1015 of 2026	https://ocpe.nt.gov.au/employment-terms-and-conditions/determinations
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Educational Services (School) General Staff Award 2020 (Cth) (MA000076)	https://library.fairwork.gov.au/award/?krn=MA000076#_Toc163481622
Educational Services (Teachers) Award 2020 (Cth) (MA000077)	https://awards.fairwork.gov.au/MA000077.html
Fair Work Act 2009 (Cth)	https://www.legislation.gov.au/Details/C2017C00323
Northern Territory Public Sector 2025 – 2029 Enterprise Agreement	https://ocpe.nt.gov.au/employment-terms-and-conditions/current-enterprise-agreements/enterprise-agreements-current
Northern Territory Public Sector Educators' 2024—2027 Enterprise Agreement	https://ocpe.nt.gov.au/employment-terms-and-conditions/current-enterprise-agreements/enterprise-agreements-current

Governing legislation	
Public Sector Employment and Management Act 1993	https://legislation.nt.gov.au/Legislation/PUBLIC-SECTOR-EMPLOYMENT-AND-MANAGEMENT-ACT-1993
Public Sector Employment and Management Regulations 2011	https://legislation.nt.gov.au/Legislation/PUBLIC-SECTOR-EMPLOYMENT-AND-MANAGEMENT-REGULATIONS-2011
Public Sector Employment terms and conditions	https://ocpe.nt.gov.au/employment-terms-and-conditions/determinations

12.8. Acronyms

Acronyms	Full form
ATO	Australian Taxation Office
CE	Chief Executive
CiA	Ci Anywhere
DCDD	Department of Corporate and Digital Development
FARMS	Finance and resource management for schools
NT	Northern Territory
OCPE	Office of the Commissioner for Public Employment
PAL	Policy and advisory library
PLEC	Principal level executive contract
PSEMA	Public Sector Employment and Management Act 1993
PSEMA Regulations	Public Sector Employment and Management Regulations 2011

13. Infrastructure

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

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

An update to the policies and procedures in the school infrastructure handbook is currently underway. Once complete, it will be linked to this FARMS manual content on the Policy and advisory library (PAL).

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

13.1. General information

13.1.1. Capital works

Capital works are:

- infrastructure projects that create or improve government owned assets and the construction or installation of facilities and fixtures associated with, and forming an integral part of, those works, that are categorised as either:
  - major works – construction projects where the estimated value exceeds $1 million – GST exclusive, regardless of the funding source
  - minor works – construction projects where the estimated value is $1 million or less – GST exclusive, regardless of funding source.

Capital works can be school managed, however, because of the significant regulatory and compliance requirements. It is preferred that DLI manages infrastructure projects that require a building permit or would if they were undertaken in a building control area, a consent to construct as a result of being on Aboriginal land, or for the purposes of constructing play equipment requiring compliance with relevant Australian standards.

DLI provide project-specific advice and recommendations.

13.1.2. Funding

The department supports schools to navigate and access eligible funding programs, including funding programs managed by DLI.

Some programs include:

- Domestic furniture for remote employees in GEH is coordinated by School Operations. The Domestic furniture for government employee housing policy and guidelines shows processes to obtain and replace domestic furniture.
- Furniture, fittings and equipment (FFE) – are coordinated through IPI, and funding may be approved to purchase non-consumable curriculum and office or classroom equipment for new and refurbished capital works projects.

- Non-urgent minor repairs (NUMR)
  - NUMR – minor preventative maintenance activities that are not urgent in nature; this may include scheduled re-painting of sections of the school. NUMR funds are provided annually by the department to school councils for discretionary school maintenance to infrastructure buildings. Schools are required to record NUMR income and expenditure in Ci Anywhere (CiA). Funds are released through the School resourcing model and acquittals are not required.

Further information regarding repairs, and the types of repairs, can be found in the Repairs and maintenance information sheet in the Policy and advisory library (PAL).

13.1.3. Repairs and maintenance

School buildings and facilities should undergo regular inspections, ongoing maintenance, and periodic assessment to determine whether they continue to meet the needs of the school community and are safe for use.

Repair and maintenance (R&M) works are intended to maintain existing infrastructure in serviceable condition or to keep an asset functioning at its required capacity. This excludes works that enhance the asset significantly or extend its useful life.

R&M can include:

- Cyclical Maintenance (CM) – regular recurring preventative or statutory maintenance to ensure a critical asset will not break down. CM undertaken on mechanical, for example air conditioning plant or fire detection systems and equipment and electrical systems is managed by DLI. Some other CM is managed by schools, like closed-circuit television, tree assessments and playground inspections.
- Disaster maintenance – maintenance works undertaken because of a natural disaster or unforeseen events causing major damage or destruction:
  - Where an emergency is declared, all expenditure related to this event must be accurately recorded and documented in the department's approved financial accounting software, in line with the Disaster Recovery Funding Arrangements. All related expenditure must be coded to the disaster job code, and the relevant event name is against the designated transaction in CiA. Further information regarding claiming disaster maintenance can be found in Confluence. A link to Confluence can be found in the resources at the end of this chapter.
- Government employee housing (GEH):
  - GEH - provides remote housing for eligible employees living and working in approved remote locations. The Department of Housing, Local Government and Community Development (DHLGCD) manages GEH and coordinates allocation, maintenance, refurbishment and security upgrades.
- Non-urgent minor repairs (NUMR) – routine asset and ongoing operational maintenance to maintain asset life and usefulness. Includes activities such as painting, cleaning, rust remediation and pest control to avoid the need for Urgent Repairs.
- Specific Maintenance (SM) – maintenance works to restore or keep the integrity of an asset to a good operational condition. SM is usually DLI managed because it often requires statutory compliance and a range of approvals.
- Unforeseen maintenance or Urgent Minor Repairs (UMR) – unforeseen works that cannot be predicted to occur at a given point in time and must be actioned immediately for health, safety or security reasons. Go to the DLI Repairs and maintenance list for more details on types of repairs. UMR works can be DLI managed or school managed.

13.2. Principal responsibilities

13.2.1. Capital works - major

Principals must:

- consult with the department for major works proposals identified through strategic plans or the master planning process
- contribute to project planning, design and construction through formal project management processes
- support school bodies to consider the allocation of funds for future year reserves from school-held (SH) funds for major capital works.

13.2.2. Capital works - minor

Principals must:

- consult with IPI and DLI on minor works projects before proceeding with any work that is school managed
- consult with the relevant Senior Director Education to ensure proposed minor work bids align with the department's strategic plans
- identify and submit bid applications for minor capital works to improve or upgrade school buildings and facilities
- support school bodies to consider the allocation of funds for future year reserves from SH funds for minor capital works
- work closely with IPI and DLI on approved capital works projects.

13.2.3. Furniture, fittings and equipment

Principals must:

- identify furniture, fittings and equipment (FFE) needs to optimise space utilisation, enhance resource management and create flexible teaching areas.

13.2.4. Government employee housing

Principals must:

- advise the School Operations team of GEH requirements for remote NT Public Sector school employees
- assist with coordinating GEH access.

Further information regarding GEH can be found in the PAL and NTG Central.

13.2.5. Government employee housing domestic furniture

Principals must:

- liaise with the Regional School Operations team to identify GEH furniture needs, provide condition reports, and regarding purchasing and acquittal of GEH domestic furniture.

Further information regarding GEH can be found by contacting schoolops@education.nt.gov.au and in the PAL and NTG Central.

13.2.6. Repairs and maintenance

DLI's Delivery Maintenance team should be the first contact for schools in Barkly and Big Rivers regions, excluding Katherine, and East Arnhem regions.

For repairs and maintenance listed under School managed UMR, schools in identified areas can engage directly with local contractors in the community, provided the nature of the repairs is within the prescribed thresholds for UMR.

Table 13.1 – Repairs and maintenance contact details

Region – Office	Phone	Email
Central – Alice Spring	8951 5213	umralice@nt.gov.au
Top End – Darwin	8999 4666	umrdarwin@nt.gov.au
Big Rivers – Katherine	8973 8721	umrkatherine@nt.gov.au
East Arnhem – Nhulunbuy	8987 0188	umrnhulunbuy.dipl@nt.gov.au
Barkly – Tennant Creek	8962 4515	umratennant.dli@nt.gov.au

Principals must:

- coordinate and pay for school managed UMR through SH funds
- coordinate ongoing operational maintenance for school buildings, which are either managed through SH funds or through department-held (DH) funds using government panel contracts. Ongoing operational maintenance responsibilities of schools include:
  - cleaning and waste management services
  - fire and emergency procedures
  - grounds and tree maintenance
  - indoor air quality
  - playground compliance and inspections
  - termite and pest control.
- fully use NUMR annual funding for the allowed purposes
- refer to the DLI Repairs and maintenance list to confirm whether it's DLI's or the school's responsibility for the repair and maintenance type, a link to this list can be found in the resources at the end of this chapter
- report DLI managed UMR needs to DLI as per Table 13.1 – Repairs and maintenance contact details
- submit UMR acquittals to be reimbursed for UMR expenditure in the required times.

13.3. School body responsibilities

13.3.1. General responsibilities

School bodies must:

- comply with this FARMS manual's procurement and expenditure management requirements, as well as the School procurement guidelines, and project management requirements, such as delivering the project in line with its scope and allocated funding
- consider applications submitted by the principal for capital works, minor and major, FFE and operational maintenance
- consider the allocation of funds for future year reserves from SH funds for major capital works and document the decision in school body meeting minutes and the decision register.
- consider the use and conditions of school facilities for the benefit of the school community when they are not required for school purposes, in line with section 107(f) of the Act, and document the decision in school body meeting minutes and the decision register, further information can be found in this FARMS manual's Funding – government section
- exercise general control over the buildings and grounds of the school, including, with CE consent, control of any terms and conditions approved in writing by the CE, and the conduct of work carried out in or on them, as stated in the Act, section 107(g)
- report R&M and UMR needs as required
- under section107(d) of the Act, assess the school's needs for buildings and facilities and provide recommendations
- undertake ongoing maintenance of assets through proactive use of NUMR

13.4. School employee responsibilities

13.4.1. General responsibilities

School employees must:

- comply with GEH policies if applicable
- report R&M and UMR needs as required
- support the principal by providing information and feedback regarding applications for capital works, minor and major, FFE and operational maintenance.

13.5. Resources

Resources	
Ci Anywhere	https://ntdoe.t1cloud.com/
Confluence	https://confluence.nt.gov.au/spaces/SFSH/overview
Department of Housing, Local Government and Community Development	https://dhlgcd.nt.gov.au/
Disaster Recovery Funding Arrangements 2018	https://www.disasterassist.gov.au/disaster-arrangements/disaster-recovery-funding-arrangements
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Government employee housing (GEH) - eLearn	https://elearn.ntschools.net/school-operations/other-resources/government-employee-housing
Government employee housing (GEH) – NTG Central	https://ntgcentral.nt.gov.au/my-job/money/remote-employee-benefits/government-employment-housing
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portals
Infrastructure	https://elearn.ntschools.net/policies/category/6523
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library

13.6. Related policies and guidelines

Policies and guidelines	
Domestic furniture for Government employee housing	https://elearn.ntschools.net/policies/3898
Government employee housing for remote staff	https://elearn.ntschools.net/policies/3898
School procurement guidelines	https://elearn.ntschools.net/policies/7762
Repairs and maintenance of school buildings	https://elearn.ntschools.net/policies/3905

13.7. Content referenced in other FARMS chapters

Content reference in other FARMS chapters
Accounting
Budget management
Funding - government
Procurement and expenditure

13.8. Governing legislation

Governing legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-REGULATIONS-2015

13.9. Acronyms

Acronyms	
CE	Chief Executive
CiA	Ci Anywhere
CM	Cyclical maintenance
DH	Department-held
DHLGCD	Department of Housing, Local Government and Community Development
DLI	Department of Logistics and Infrastructure
FARMS	Finance and resource management for schools
FFE	Furniture fittings and equipment
GEH	Government employee housing
IPI	Infrastructure Planning and Investment
NT	Northern Territory
NUMR	Non-urgent minor repairs
PAL	Policy and advisory library
R&M	Repairs and maintenance
SH	School-held
SM	Specific maintenance
UMR	Urgent minor repairs

14. Insurance – Under development

This chapter remains under development.

15. Leasing – Under development

This chapter remains under development.

16. Procurement and expenditure

Northern Territory (NT) Government schools use money from the government, known as public funds, to operate. Transparent and accountable practices in the use of public funds are essential to maintain the public's confidence that public funds are used responsibly. Other sources of funds such as contributions from students, parents, fundraising and sponsorship must also be spent responsibly. This is a higher level of scrutiny compared to private sector entities.

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

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

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

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

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

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

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

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

16.1. General information

16.1.1. Procurement principles

These procurement principles must be adhered to for all SH funds procurement activities irrespective of value or associated risk:

- value for the Territory
- ethical behaviour and fair dealing
- open and effective competition

- enhancing the capabilities of Territory enterprises and industries
- environmental protection.

Further information on the procurement principles can be found in the School procurement guidelines – Introduction document in the PAL.

16.1.2. Procurement value for Territory

Procurement expenditure that delivers procurement outcomes while meeting the NT Government economic, social, environmental and cultural objectives is considered value for Territory. This means procurement expenditure must:

- adopt a value and risk approach to guide activities throughout the procurement lifecycle
- assess responses based on fair and objective criteria and analysis
- balance price and non-price considerations
- clearly define procurement objectives and line up with the strategic objectives of the NT Government, the department and the school
- ensure the people involved in procurement activities have the skills needed to meet their accountabilities and responsibilities
- make sure procurement is open to competition and supports the participation of Territory enterprises.

16.1.3. Ethical behaviour and fair dealing

Establish confidence in business, industry and the public, on the probity or honesty and decency, accountability and benefits, of SH funds procurement activities.

This means principals must:

- communicate clearly and consistently to business and industry on decisions, performance and complaints processes
- consult stakeholders openly, regularly and effectively
- implement and follow delegation and decision-making frameworks
- maintain probity, by being honest and decent, in all procurement activities
- make sure procurement activities promote and enforce safe working standards and conditions.

16.1.4. Procurement tiers

Different procurement activities are required for different monetary values of procurement. If something will cost more, there will be a higher level of accountability. These levels are called procurement tiers.

Further information regarding procurement tiers can be found in the School procurement guidelines in the PAL. A link to these guidelines can be found in the Policies and guidelines at the end of this chapter.

16.1.5. Expenditure management

Expenditure management processes include ordering, taking delivery of goods, entering invoices and making payment. These processes must be detailed in expenditure management guidelines, established by each individual school. Expenditure management processes include raising a purchase requisition for approval prior to purchasing goods or services. This internal control measure ensures there are funds to meet this commitment, procurement principles have been followed, and that the expenditure aligns to the school approved budget.

A requisition or request to purchase must be completed for all transactions - including those to be purchased using a school debit card or petty cash. Similarly, any staff using their own funds, may only be reimbursed if the purchase was approved beforehand.

The overall process will be the same for each school, but each school will have individual details related to their school.

16.2. Principal responsibilities

16.2.1. General responsibilities

When spending department-held (DH) funds, the department's Delegations policy and schedules must be followed. Further information regarding delegations can be found in the department's Delegations policy and schedules in the PAL.

For SH funds, the principal is responsible for activating the expenditure within the approved school body budget. There are no limits to individual transactions however schools must ensure that any items procured align with the school's approved budget and expenditure management process. Further information can be found in Table 2.1 in the Accounting chapter of this FARMS manual.

Principals must:

- comply with department's procurement delegations for expenditure against DH funds
- comply with the School procurement guidelines for expenditure against SH funds
- comply with the individual school expenditure management procedures
- comply with the published Ci Anywhere (CiA) user access levels for expenditure activities recorded in CiA
- ensure there are expenditure management processes in place and that all staff employed in the school are aware of these processes. An example of this is school request for orders or requisition requests.
- keep records to evidence that appropriate consideration has been given to the procurement principles during the procurement process.

Principals must not:

- undertake procurement activities that exceed their delegation.

16.3. School body responsibilities

16.3.1. General responsibilities

School bodies must:

- declare and record any actual or potential perceived conflict of interest for specific procurement activities involving school body members and the actions taken to mitigate the risk, school body members must use the Conflict-of-interest procedures applicable to them
- document and approve:
    - individual school expenditure management procedures

  - individual school procurement delegations if they are in addition to the CiA user access level, further information can be found in: Table 2.1: Ci Anywhere user access levels, in the Accounting chapter of this FARMS manual
  - individual school procurement procedures
- document during all stages of the procurement, that they have considered the procurement principles, school delegations, and procurement tier requirements in line with:
  - school expenditure management procedures
  - school procurement delegations
  - school procurement guidelines
- ensure all motions are minuted and recorded in the school body's decision register
- monitor school expenditure against approved procurement activities.

16.4. School employee responsibilities

16.4.1. General responsibilities

All school employees must comply with:

- procurement delegations in the school's delegations' document
- the department's School procurement guidelines
- the published CiA user access levels for expenditure activities entered in the financial records system, unless higher user access levels are recorded in the approved school's delegations' document
- the school expenditure management guideline and school expenditure management procedure
- the school's procurement procedure.

16.5. Resources

Resources	
Auditor and Bookkeepers Panel Contract	https://confluence.nt.gov.au/display/SFSH/Auditors+and+Bookkeepers+Panel+Contract
Ci Anywhere	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Workplace
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portals
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library
Procurement resources	https://ntgcentral.nt.gov.au/services-and-support/buy-goods-and-services/procurement-in-government

16.6. Related policies and guidelines

Policies and guidelines	
DET Delegations policy	https://elearn.ntschools.net/policies/5340
Respect and responsibility in schools	https://elearn.ntschools.net/policies/8942
School procurement guidelines	https://elearn.ntschools.net/policies/7762
School resourcing fund	https://elearn.ntschools.net/policies/6550
School resourcing model	https://elearn.ntschools.net/policies/5078

16.7. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Assets
Bank accounts
Budget management
Cash management
Funding chapters
Infrastructure
Taxation

16.8. Governing legislation

Procurement and expenditure management by NT Government agencies is regulated by the *Financial Management Act 1995*, and the supporting Treasurer's Directions, the Procurement Act 1995 and the *Audit Act 1995*. This means that any funds spent from the DH funds must comply with the requirements of these Acts. These requirements also apply when NT Government schools use SH funds when working with NT Government agencies, such as for capital works and minor new works projects.

The Education Act 2015 (the Act), section 115, states that:

> Unless express provision is made to the contrary in this Act or the Regulations, the Financial Management Act 1995, the Audit Act 1995 and the Procurement Act 1995 do not apply to a school representative body.

This means that funds spent from school-held bank accounts are not required to comply with the requirements of those Acts, except as described above.

However, the model constitution for NT School representative bodies requires them to ensure the effective, efficient and proper use of school funds and resources in accordance with the principles of the Financial Management Act 1995, Treasurer's Directions, the Audit Act 1995 and the Procurement Act 1995.

No private purchasing of any kind is permitted through a school bank account identified as an official account, as defined in section 34 of the Act, or any other school bank account. In addition, goods may not be purchased by a school on behalf of a private individual or organisation, regardless of the method of payment.

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

16.9. Acronyms

Acronyms	Full form
CE	Chief Executive
CiA	Ci Anywhere
DH	Department-held
FARMS	Finance and resource management for schools
NT	Northern Territory
PAL	Policy and advisory library
SH	School-held

17. Reporting

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

17.1. General information

Reporting supports decision making and meets compliance requirements. Reports can be from varied sources and include:

- extracting premade reports from a system like Ci Anywhere (CiA) or MyBiz
- providing data in a specific format
- someone providing information verbally or in writing.

School bodies need financial reports to perform their duties in line with the Act. Principals and school bodies review and analyse reports to make decisions about allocating resources and providing governance over school operations.

Principals need reports to help them operate and manage the school and they must ensure all required reports are prepared and distributed to other users as required. Principals and school body members may need to provide reports to others to fulfil their responsibilities.

The financial reports include data from both department-held (DH) funds and school-held (SH) funds.

17.1.1. Statutory financial reporting

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

17.1.2. Reports available for school bodies

Many financial reports are available to school bodies, including the mandated reports that must be provided to ensure they have the information needed to meet their financial management responsibilities.

These mandated reports must be given to the school body members at the next scheduled school body meeting.

There are a number of optional and customised reports that can be provided to the school body. By passing and recording a motion at a meeting, school bodies can choose to receive any of these reports and determine the frequency of these reports. These types of reports can be time consuming to prepare, and the principal may decline to meet the request if it would create an unacceptable administrative burden.

The school body may change this decision at any meeting of the year by passing a new motion. Motions to change reports will take effect for the next month or next meeting, whichever comes first. Motions about reports to be provided to the school body remain in effect until the next annual general meeting (AGM) unless changed. All motions to a school body meeting must be minuted and the outcome recorded in the decision register.

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

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

School bodies must:

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

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

Report	Details	Available
CiA - Monthly consolidated finance summary	Consolidated financial snapshot of the SH funds and DH funds prepared by the school.	After day 10 of each month
CiA - School-held funds balance sheet	Overview each month of what the school owns 'assets', including school held funds cash, plant and equipment against what the school owes 'liabilities' including unacquitted grant funds held.	After day 10 of each month
CiA - School-held funds job budget variance – Executive Information Enquiry or a Job cost report	Overview of how individual activities, or job codes, are performing against budget, including commitments such as outstanding purchase orders. Detailed comparison or summary report available.	After day 10 of each month

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

Report	Details	Available
CiA - SH funds budget	Provides annual budget across job allocations, highlighting all planned income and expenditure for the calendar year and the timing of this. The budget presented to school bodies, must show how the budgeted profit or loss is affordable in consideration of the opening available cash position and other known commitments including the cash benchmark and future reserves.	By last meeting of the year
CiA - SH funds budget revisions	Budget updates or revisions must be returned to the school body for minuted approval and noting in the decisions register.	As required
MyBiz - Annual funding allocation	Provides funding allocation for the next year so schools can prepare their annual budget plan.	Beginning of Term 4 of the year prior to the funding year.
Auditors financial report and management letter	Provides a true representation of a school's financial position for the year as at 31st December.	As released by auditor, and distributed to school body members, no later than 1 week before AGM.
FARMS manual updates that affect school bodies	Updates to the FARMS manual.	As released

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

Table 17.3: Reports that may be provided to the school body on request

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

17.2. Principal responsibilities

17.2.1. Review and analyse financial reports

Principals review and analyse financial reports and relevant supporting information to monitor compliance and inform decision making about the use of school resources to achieve planned outcomes. These decisions are implemented to enable school improvement.

Principals must:

- help school body members understand the information in the reports to inform their decision making
- monitor differences between the actual paid employees in the School resourcing model management system (SRMMS) compared to the submitted SRMMS plan and current scenario
- review all school body reports for accuracy and completeness and make corrections to the financial records if required
- review any additional reports noted in the:
  - school finance annual processes
  - school finance end of payroll year processes
  - school finance knowledge base
  - school finance monthly processes
- use reports to inform decision making in the use of school resources.

17.2.2. Prepare, distribute, and submit financial reports and acquittals

Principals must prepare reports for different audiences, including the school body and the department. Some reporting is mandatory statutory reporting, which the principal manages on behalf of the school body.

Principals must provide or submit the following reports or information as per Table 17.5 – Principal reporting requirements.

Table 17.4 – Principal reporting requirements

Receiver	Description	Timeframe
ATO	the FARMS manual's Taxation chapter contains information about statutory reporting for taxation	as required
Delegates	Delegates of individual job budgets must review monthly reports on job budget performance	monthly when available
Department of Logistics and Infrastructure (DLI)	for urgent minor repair (UMR) acquittals and reporting related to individual school projects	as required
Employees	pay slips containing the legislated information	within the required times
Financial statement auditors	information required to complete the financial statement audit	as required
Other funding bodies	reports, acquittals and information	as required by the funding agreements
School body members	the mandated reports that must be provided monthly	prior to each meeting
School body members	optional reports	if requested as recorded in a resolution
School body members	Annual auditor report for acceptance and signing	at Annual General Meeting
Superannuation funds	the FARMS manual's Taxation chapter contains information about superannuation reporting.	as required
The department	School annual report, including audited financial statements. Further information regarding school annual reports can be found in eLearn	prior to 31 March
The department	ensure all payroll processing completed for the end of payroll year process	by 30 June
The department	provide acquittals	as required by grant terms and conditions
The department	ad hoc information requests	as required

17.2.3. Non-financial reporting

Principals have non-financial reporting responsibilities, including:

- age grade census
- conflicts of interest
- fraud and loss
- improper conduct student progress, enrolment and attendance; further information regarding the NT assessment, reporting and data schedules can be found in eLearn
- nationally consistent collection of data reporting

- mandatory reporting of harm and exploitation of children
- school improvement strategies
- school surveys
- work health and safety.

17.2.4. Protecting information

While principals must distribute and publish certain financial information to keep the school and the community informed, they must also establish and document a process to protect personal or sensitive information.

17.3. School body responsibilities

17.3.1. Review and analyse financial reports

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

School bodies must:

- review the school body financial reports to understand how the school is performing in the current year and if its use of resources is aligned to the school's budget and strategic objectives
- consider a motion and record the outcome in minutes at a meeting, any decision to:
    - receive one or more of the optional reports that may be provided to school bodies
    - nominate how the reports will be provided, for example email or printed
    - alter or replace a previous motion passed at a meeting about reports provided to the school body
- record all motion outcomes in the school's decision register.

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

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

17.3.2. Non-financial reporting

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

- If school body members believe a child is being, or has been, harmed or exploited, they must report their concerns under mandatory reporting requirements in the *Care and Protection of Children Act 2007*. Further information regarding mandatory reporting can be found on the Department of Children and Families website.

- If school body members suspect improper conduct, they must report it under the *Independent Commissioner Against Corruption Act 2017*. Further information on how to report can be found on the Office of the Independent Commissioner Against Corruption NT website.
- School body members must declare conflicts of interest as they arise.

Further information regarding school bodies non-financial reporting can be found in the Parent and Community involvement in schools' policy and guidelines in the departments external Policy advisory library (PAL).

17.4. School delegated officers' responsibilities

17.4.1. Review and analyse financial reports

When spending DH funds, the department's Delegations policy and schedules must be followed. Further information regarding delegations can be found in the department's Delegations policy and schedules in the PAL.

For SH funds, the principal is responsible for activating the expenditure within the approved school body budget. A principal may delegate SH budget responsibility to others within the school as required. The principal is then responsible for ensuring that the delegate is clear on their responsibilities. There are no limits to individual transactions however schools must ensure that any items procured align with the school's approved budget and expenditure management process. Further information can be found in Table 2.1 CiA user access levels in the Accounting chapter of the FARMS manual.

Delegates must:

- discuss with the principal options for the area of delegation to be completed within budget and with the required outcomes
- request additional information if needed to determine if the area of delegation is performing as budgeted and the activities are occurring as planned
- review and analyse the listed reports for their area of responsibility, including:
    - CiA job cost
    - CiA job transactions.
- take any actions within their delegation to make sure the area of delegation will perform within budget by the end of the activity, and the required outcomes will be met.

17.5. Resources

Resources	
ABN Lookup	https://abr.business.gov.au/
Annual school improvement plan	https://elearn.ntschools.net/school-improvement/set-goals/annual-school-improvement-plan
Australian Taxation Office	https://www.ato.gov.au/
Ci Anywhere	https://ntdoe.t1cloud.com/
Department of Children and Families	https://families.nt.gov.au/
Department of Logistics and Infrastructure	https://dli.nt.gov.au/homepage
Independent Commissioner Against Corruption	https://icac.nt.gov.au/
Jira portal	https://jira.nt.gov.au/servicedesk/customer/portal/115
Mandatory Reporting of Harm and Exploitation of Children 2025	https://families.nt.gov.au/search?query=mandatory+reporting+of+harm+and+exploitation+fo+children+2025
myHR	https://myhr.nt.gov.au/
Nationally consistent collection of data reporting	https://elearn.ntschools.net/swips/nccd
NT assessment, reporting and data schedules	https://elearn.ntschools.net/teaching-and-learning/assessment-and-reporting/nt-assessment-reporting-and-data-schedule
Parent and community involvement	https://nt.gov.au/learning/parent-and-community-involvement
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library
Reporting improper conduct	https://elearn.ntschools.net/policies/6604
School bodies	https://education.nt.gov.au/policies/school-communities/school-representative-bodies
School improvement strategies	https://elearn.ntschools.net/school-improvement
Work Health and Safety	https://elearn.ntschools.net/policies/category/6524

17.6. Related policies and guidelines

Policies and guidelines	
Age grade census - procedures	https://elearn.ntschools.net/policies/5663
Conflicts of interest policy, procedure and declaration forms	https://elearn.ntschools.net/policies/4955
Fraud control - policy	https://elearn.ntschools.net/policies/5291
NT Government school survey – policy	https://elearn.ntschools.net/policies/4470
School resourcing model	https://elearn.ntschools.net/policies/5078

17.7. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Assets
Budget management
Cash management
Chart of accounts
Governance
Reporting
Taxation

17.8. Governing legislation

Governing legislation	
Care and Protection of Children Act 2007	https://legislation.nt.gov.au/en/Legislation/CARE-AND-PROTECTION-OF-CHILDREN-ACT-2007
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Independent Commissioner Against Corruption Act 2017	https://legislation.nt.gov.au/en/Legislation/INDEPENDENT-COMMISSIONER-AGAINST-CORRUPTION-ACT-2017

17.9. Acronyms

Acronyms	Full form
AGM	Annual general meeting
ASIP	Annual school improvement plan
ATO	Australian Taxation Office
CE	Chief Executive
CiA	Ci Anywhere
DCDD	Department of Corporate and Digital Development
DH	Department-held
DLI	Department of Logistics and Infrastructure
FARMS	Finance and resource management for schools
ICAC	Independent commissioner against corruption
NT	Northern Territory
SH	School-held
SRMMS	School resourcing model management system
UMR	Urgent minor repairs
YTD	Year to date

18. School financial assurance

18.1. Overview

An audit is a structured review used to assess whether activities, processes, or systems are being carried out as intended and in line with established standards, policies, or objectives. Audits can be undertaken by an independent or non-independent reviewer. The reviewer will vary depending on the audit type.

A compliance audit examines how the school has met specified requirements.

School audits may be initiated by schools or the department.

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

The department may initiate school audits in response to:

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

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

18.2. General information

18.2.1. Financial audit

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

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

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

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

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

- a statement of receipts, payments and balance on hand for the account
- any other information that is directed in writing by the CE to be included
- the report is presented to the next annual general meeting (AGM) held in accordance with regulation 26(1)(b) and

- a signed copy of the audit must be sent to the CE as soon as practicable after the AGM to which it is presented, but no later than 31 March. This can be actioned through the File Upload Toolkit in Ci Anywhere (CiA). A link to CiA can be found in the resources at the end of this chapter.

School bodies must provide the audited financial report and management letter to school body members at least 7 days before the AGM. Both documents must be endorsed at the AGM. Further information regarding this process can be found in the School representative body – guidelines in the Policy and advisory library (PAL).

18.2.2. Other audits

Whilst most audits may be financial related, other audits may be conducted relating to:

- compliance
- fraud
- operational
- risk
- other audits as requested.

18.2.3. Auditors' responsibilities

The CE will provide written directions for authorised school auditors, the FARMS manual forms part of those directions. Annual financial report audit scope details and annual focus areas will be provided at an annual briefing and directions for other audits will be provided as required.

Authorised school auditors must:

- perform school audits in compliance with the written directions provided by the CE under regulation 36(f)(ii)
- attend, or send a representative to attend, annual school audit briefings when advised
- maintain authorised school auditor status for the full period of the engagement.

Non-authorised auditors appointed prior to this FARMS manual chapter taking effect are encouraged to comply with the requirements of authorised school auditors and seek to become authorised school auditors through the tender process at the completion of the current contract.

18.3. Principal responsibilities

18.3.1. Auditors

The principal must:

- attend entry and exit meetings with the auditor
- direct school employees to support the auditor as required during any scheduled school visits
- distribute the audit report to school body members promptly once it is received and no later than 1 week before the AGM
- give auditors access to the required CiA reports, bank account records, supporting documentation, money held by the school, subsidiary ledgers such as Retail Manager, certificates, employment information and other information as the auditor thinks necessary in relation to the audit
- participate in audit tasks as instructed by the department
- present the audited financial report at the AGM

- provide information, advice or explanation as the auditor thinks necessary in relation to the audit
- seek quotes and availability of auditors from the NTG24-0100 Auditors and Bookkeeping Services Panel Contract for approval by the school body at the AGM
- seek support from SBS-Finance if the auditor has provided, or is likely to provide, an unacceptable opinion, whether the school body or principal agree with the auditor's findings or not
- work with the auditor to resolve any issues prior to the AGM and if advice is required, promptly seek support from School Business Services (SBS-Finance).

18.3.2. Annual audited financial report

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

Acceptable audit opinions are either:

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

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

Principals must:

- review the audited financial report to confirm it is a true and accurate representation of the school's income, expenditure, and the balance of each account as of 31 December of the year
- review the management letter recommendations, implement the recommendations unless otherwise advised by SBS-Finance, and keep the school body informed of progress in implementing the recommendations.
- note all audit opinions and contact SBS-Finance for support with any qualified or adverse audit opinions
- submit the audit report, management letter and copies of any commercial insurance policies to SBS-Finance via CiA, promptly after it is signed by the school body chair, or Senior Director Education for school management councils

18.4. School body responsibilities

18.4.1. Auditors

School bodies must:

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

If a school is required to select an auditor outside the AGM, this can be done in two ways:

- at a Special meeting:
  - minutes of the Special meeting must be attached to the AGM minutes.

- as an out of session decision:
  - the out of session decision correspondence and outcome must be attached to the AGM minutes.

All decisions must be minuted, and the outcome must be recorded in the school body's decision register.

18.4.2. Annual audited financial report

School bodies must:

- review the audited financial report to confirm it is a true and accurate representation of the school's income, expenditure and the balance of each account as of 31 December of the year
- check the audit opinion is acceptable
- review the management letter recommendations and monitor the principal's progress in implementing them
- accept and minute the auditor's report
- record the acceptance in the school body's decision register.

18.4.3. Amended annual audited financial report

If an error is identified in the audited financial report after it has been tabled at the AGM, the updated report must be tabled for approval and minuted by members:

- at a Special meeting
  - minutes of the Special meeting must be attached to the AGM minutes
- as an out of session decision
  - the out of session decision correspondence and outcome must be attached to the AGM minutes

All decisions must be minuted, and the outcome must be recorded in the school body's decision register.

18.5. Resources

Resources	
Auditors and Bookkeepers panel contract	https://confluence.nt.gov.au/display/SFSH/Auditors+and+Bookkeepers+Panel+Contract
Ci Anywhere	https://ntdoe.t1cloud.com/
Chartered Accounts Australia and New Zealand	https://www.charteredaccountantsanz.com/
Institute of Public Accountants	https://www.publicaccountants.org.au/
CPA Australia	https://www.cpaaustralia.com.au/
FARMS Risk assessment	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portals
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library

18.6. Related policies and guidelines

Policy and guidelines	
N/A	

18.7. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Assets and inventory management
Funding
Reporting
School financial assurance

18.8. Governing legislation

Governing legislation	
Audit Act 1995	https://legislation.nt.gov.au/Legislation/AUDIT-ACT-1995
Education Act 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-REGULATIONS-2015
Independent Commissioner Against Corruption Act 2017	https://legislation.nt.gov.au/en/Legislation/INDEPENDENT-COMMISSIONER-AGAINST-CORRUPTION-ACT-2017

18.9. Acronyms

Acronyms	Full form
AGM	Annual general meeting
CE	Chief Executive
CiA	Ci Anywhere
CPA	Certified Public Accountant
FARMS	Finance and resource management for schools
ICAC	Independent Commissioner Against Corruption
SBS- Finance	School Business Services

19. School handover

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

19.1. General information

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

If a principal is temporarily absent from the school, a suitable person needs to take custody of the school's assets to protect the assets and to manage emergencies if required.

Other employees at the school with financial and resource management responsibilities may have custody of school assets required to perform their role. When they leave, the principal will need to complete an exit checklist to ensure the return of all specified assets.

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

19.2. Principal responsibilities

19.2.1. General requirements

Principals must:

- complete exit checklist for all school staff and document the return of allocated assets
- securely maintain and store records of assets and financial information
- limit access to the records of assets and financial information to the principal and the business manager
- make sure it is clear who the responsible officer is if the principal is absent from the school.

19.2.2. Temporary principal absences

Principals must make sure it is clear who the responsible officer for school assets if:

- the principal is temporarily absent from the school during the school term

  or
- the principal is temporarily absent from the school community during term breaks.

19.2.3. Incoming principals

If contracted for one or more terms, incoming principals must:

- verify the accuracy of the information in the school handover form in CiA, with the support of Senior Director Education (SDE) or the school business manager; the form must be completed within 2 weeks of commencement
- ensure a completed handover document must be tabled at the next School body meeting or provided to the school management council members if applicable.

If the outgoing principal did not complete the school handover form or keep the key financial and resource management information document current in CiA, consult with the SDE to determine a suitable way to complete the required information transparently.

19.2.4. Outgoing principals

If leaving the school for one or more terms, outgoing principals must:

- complete the school handover form in CiA, as near as practical to the last day of duty at the school, a copy should also be provided to the incoming principal (if known), SDE and business manager.

In instances where the principal is unable to complete the handover document in CiA, the relevant SDE will nominate a responsible person from the school to complete. The nominated person will provide a copy of the handover document to the SDE.

19.2.5. School employee handover

Principals must:

- make sure the exit checklist for school employees with financial and resource management responsibilities is completed during their last week at the school and tabled at the next School body meeting
- make sure all school assets held in custody by the employee are returned to the school before they cease employment with the school.

19.2.6. When a principal is leaving where no principal is appointed

If the principal is leaving the school for one term or more and there is likely to be a period when no principal is appointed to the school.

Principals must pass custody of the school's physical assets to a suitable person:

- to a member of the school leadership team, which including an onsite business manager where applicable
- if there will be no members of the school leadership team available during the period, custody should be passed to the person nominated by the department's Schools NT division, the nominated person will hold a duplicate set of school keys.
- School Finance will hold the CiA school handover form until a new principal is appointed.

19.3. Senior Director Education

The Senior Director Education must:

- take custody of the schools' assets during principal absence
- nominate a suitable person to take custody of the schools' assets during principal absence
- provide support to outgoing and incoming principals to ensure a complete and accurate handover of all physical and financial assets.

19.4. School body responsibilities

School bodies must:

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

19.5. School finance responsibilities

School finance must:

- monitor the CIA handover form in instances where no principal is appointed and consult with SDE regarding solutions for asset takeover.

19.6. Resources

Resources	
Accountable forms and items – transfer voucher	https://elearn.ntschools.net/media/file/24198
Accountable forms – Handover and takeover declaration	https://elearn.ntschools.net/media/file/24199
Ci Anywhere	https://ntdoe.t1cloud.com/
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portals
Policy and advisory library	https://elearn.ntschools.net/policy-and-advisory-library
The school finance reference book – template	https://elearn.ntschools.net/media/file/24695

19.7. Policies and guidelines

N/A

19.8. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Asset and inventory management
Cash management

19.9. Governing legislation

Governing legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015

19.10. Acronyms

Acronyms	Full form
CE	Chief Executive
CiA	Ci Anywhere
FARMS	Financial and resource management for schools
NT	Northern Territory
SDE	Senior Director Education

20. School delegations – Under development

This chapter remains under development.

21. Taxation

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

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

The chapter is not intended to be a comprehensive guide to school taxation requirements. For detailed information on taxation information, refer to the Australian Taxation Office (ATO) website and relevant legislation.

An overview of GST is available in the GST Manual for Schools which is provided to all NT Government schools. For further information about the GST manual, contact School Business Services (SBS-Finance) by submitting a Jira ticket through the Education finance support portal.

Compliance involves record keeping, data submissions and payments:

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

21.1. General information

21.1.1. Income tax

Schools are exempt from income tax because they meet the definition of a state or territory body in section 24AK of the *Income Tax Assessment Act 1936* (Cth). There is no income tax exemption certificate for this, so if schools need to provide evidence that they are exempt from income tax, they should quote section 24AK of the Income Tax Assessment Act 1936 (Cth) and refer people to the ABN Lookup website, which identifies the school as a government entity. A link to this website can be found in the Resources section of this chapter.

21.2. Principal responsibilities

21.2.1. Access to Australian Government systems - myID

MyID is used for business interactions with the Australian Government and is issued to individual users. Users can link their myID to the businesses they act on behalf of.

MyGov and myID (formerly myGovID) are different systems:

- myGov is used for personal interactions with government services and must not be linked to the school.
- myID is used for business interactions and is the system schools must use for official access.

Schools must ensure that multiple authorised users have their myID linked to the school. This ensures the school can manage access (add or remove users as required) and maintain continuous access to relevant Australian Government systems. MyID makes it possible to access online services for the school.

Systems with myID links that may be relevant to NT Government schools are listed and continue to expand:

- Access manager: an ATO system used to customise access and permissions for ATO online services.
- Australian Business Register: allows users to update ABN details and manage authorisations.
- Employer support payment scheme: an online claim system for employers of reservists.
- Integrated revenue application (INTRA): a portal to lodge payroll tax to the Territory Revenue Office.
- Online services for business: a system for businesses to report and manage their tax and superannuation. This replaced the ATO Business portal.
- NT Vocational education and training (VET) portal - allows registered training organisations to submit VET activity.
- Relationship Authorisation Manager (RAM): an Australian Government authorisation service that allows users to act on behalf of a business online. CiA uses this system, and it is required to access online services for the school.

Principals must:

- make sure the business manager and at least one other NT Public Sector school or relevant corporate employee at a higher acting level than the business manager has their myID linked to the school, for example, the principal, assistant principal, regional services officer, bureau business manager
- determine if a third NT Public Sector school or relevant corporate employee requires a linked myID. An officer at a lower level than the business manager can be linked to the school as a third person but must not be provided with myID administrator access.

21.2.2. Australian business number

Principals must:

- update the school's ABN details through the Australian business register (ABR) as required, updates are required if the school changes name, postal address or DGR status
- confirm that suppliers' ABN and GST status matches the invoice through the ABN Lookup online tool prior to making payments
- withhold the proper amount of withholding tax from a payment against a completed statement by the supplier not quoting an ABN if there is reason to suspect the supplier will not complete the Statement by Supplier form.

Principals must not:

- let the school have a trading name; any previous trading names must be deactivated on the ABR
- engage in transactions with suppliers who do not have an ABN, unless the supplier provides a completed Statement by a Supplier form, and the school has no reason to believe the supplier is ineligible to complete it.

21.2.3. Australian Taxation Office online services for business

Relationship Authorisation Manager (RAM) is used to authorise individuals to act on behalf of a business.

Access Manager is used to assign and manage the specific permissions those authorised individuals have within ATO systems.

RAM determines who has access, while Access Manager determines what level of access they have.

Principals must:

- check the balance of the school's ATO account details - Integrated client account at least monthly and take action to reconcile the balance if it is not zero
- keep the ATO contacts up to date with a minimum of 2 registered contacts per school, preferably the business manager and principal. School management council (SMC) and Multi school management councils (MSMSC) may want to add the Senior Director Education (SDE) or a nominated Schools NT delegate
- provide ATO access for any bookkeepers contracted under the Auditor and Bookkeepers panel contract.

21.2.4. Business activity statements

The business activity statement (BAS) is a tax return prepared by a business to report a wide range of taxation obligations, including GST, FBT and PAYG. Schools use the BAS to report their monthly GST liabilities and quarterly FBT instalments.

Further information can be found on the ATO website. A link to this website can be found in the Resources section of this chapter.

Principals must:

- lodge the BAS monthly through the ATO's Online Services for Business, ensuring it is submitted within the required timeframe.
- lodge the BAS on a cash, not accrual, basis
- make sure any tax refunds are paid into the school's official bank account.

21.2.5. Deductible gift recipients

A deductible gift recipient (DGR) is an organisation that can receive donations that are tax deductible. If a donation is tax deductible, donors can deduct the amount of their donation from their taxable income when they lodge their tax return.

Schools can apply to become DGRs for endorsed education categories, including school building funds and school library funds. This allows schools to receive donations that are tax deductible for the individual. A copy of a tax invoice must be provided to substantiate a deduction in their personal tax returns. Each year, schools that are registered DGRs need to assess their compliance with the DGR requirements.

Principals must:

- comply with the DGR requirements of the ATO
- annually assess their compliance with the DGR requirements for an existing registered DGR and report on compliance to the SRB
- notify the ATO if a change in DGR status takes effect.

Principals must not:

- issue tax deductible school receipts for donations unless the funds are for the school's registered DGR
- issue tax deductible school receipts for donations that do not comply with the DGR endorsement requirements
- use funds received by the DGR fund for any purpose other than the endorsed purpose.

Further information regarding DGRs can be found on the ATO website.

21.2.6. Fringe benefits tax

FBT is a tax paid by employers on certain benefits provided to their employees, or to their employees' families or other associates. A fringe benefit is like a payment to an employee, but in a different form to salary or wages.

FBT is paid by the department for fringe benefits provided to NT Public Sector employees by the NT Government, such as remote housing. The school must provide the department with FBT information if NT Public Sector school employees use school property that may be subject to FBT.

Principals must:

- complete the FBT return, ensuring all fringe benefits provided to any school body employee is reported to ATO
- pay FBT that has been assessed by the ATO within the timeframe set by the ATO
- seek advice or clarification from SBS-Finance via Jira as required.

The FBT year is from 1 April to 31 March.

Minor fringe benefits are exempt from FBT. These are benefits of less than a specified amount that would be unreasonable to treat as a fringe benefit. The more frequently and regularly a minor benefit is provided, the less it is likely that it will qualify as an exempt benefit. School business managers must keep records of private use of school property and all benefits provided that may be subject to FBT, even if these do not result in FBT being payable.

Further information regarding FBT can be found on the ATO website. A link to this website can be found in the Resources at the end of this chapter.

21.2.7. Fringe benefits tax and vehicles

Some vehicles are NT Government Fleet vehicles, and some vehicles are school vehicles. Care needs to be taken to make sure the appropriate records are kept for the type of vehicle and type of employee, as shown in Table 16.1: Fringe benefits tax for home garaging and private use of vehicles.

Table 21.1: Fringe benefits tax for home garaging and private use of vehicles

Vehicle	NT Public Sector school employee	School body employee
NT Government Fleet vehicle	FBT paid from DH funds and reported to the ATO by the Department of Corporate and Digital Development (DCDD). Details are recorded through the Vehicle Booking System	FBT paid from SH funds and reported to the ATO by the school. Details are recorded through the Vehicle Booking System
School vehicle	FBT paid from DH funds and reported to the ATO by DCDD. Details are recorded through the School Vehicle Booking Register and provided to DCDD	FBT paid from SH funds and reported to the ATO by the school. Details are recorded through the School's Vehicle Booking Register

Principals must:

- budget for anticipated FBT expenses in the DH funds or SH funds as required
- comply with the FBT law in every respect
- conduct an FBT review quarterly
- determine if providing the fringe benefit is a proper use of the school's funds or property prior to providing the benefit
- make sure the required data is captured to report FBT
- register for FBT with the ATO if the school must pay FBT from SH funds.

Principals must not:

- allow school body employees to home garage school vehicles or use for private purposes
- permit novated lease arrangements for school body employees to be managed through Ci Anywhere (CiA)
- permit salary sacrificing arrangements with school body employees, other than before tax salary sacrifice for superannuation.

21.2.8. General responsibilities

As the operational leaders of their schools, principals make sure the school meets its statutory compliance requirements for SH funds and DH funds, including taxation obligations.

Principals must:

- make sure the school meets its statutory requirements for SH funds
- make sure key employees are recruited with adequate knowledge to make sure the school complies with its statutory obligations
- make sure key employees remain up to date with legislative requirements relevant to the school's statutory obligations
- provide information as required by the department to support compliance with taxation requirements for expenditure from DH funds.

21.2.9. Goods and services tax

Schools must accurately record both Goods and services tax (GST) collected, and GST paid. There are specific rules which apply to not-for-profit organisations and NT Government schools that should be fully understood when recording GST. The main areas are:

- camps and excursions
- fundraising events
- school canteens
- food sales
- events and performances
- sale of capital assets
- sale of goods
- sale of uniforms.

Schools have been provided with a detailed electronic GST Manual for Schools. Further information regarding GST can be found on the ATO website or by contacting SBS-Finance by submitting a Jira ticket.

Principals must:

- comply with the GST law in every respect
- only pay on valid tax invoices, or invoices with a statement by a supplier not quoting an ABN
- support the school body to record motions passed to:
    - make an input taxed fundraising event election, to treat 15 or fewer fundraising, or similar events in any year, as input taxed if required
    - make an input taxed school canteen election, to treat sales of food and beverage as input taxed if required, and revoke the election if required
- support the school body to review all GST input taxed elections at least annually at the first or second meeting after the school body Annual General Meeting (AGM) and ensure that all decisions are minuted and recorded in the school body's decision register.

21.2.10. People required to link myID to the school

People required to link their myID to the school must:

- create a myID and update their authorised list in RAM to access school online services as required
- update their authorised list in RAM to remove access to school online services when they're no longer at the school or are not required to maintain a school linked myID.

People required to link myID to the school must not:

- allow personal myGov accounts to be linked to the school's BAS or other records.

21.2.11. Pay as you go

Schools collect and submit, via the BAS PAYG withholding tax on behalf of school body employees to help employees meet their end of year tax liabilities and to meet ATO requirements. PAYG withholding may also apply to payments to contractors. The amount of PAYG withholding is determined by an employee's circumstances provided by the employee on their Tax file number (TFN) declaration.

After June 30 each year, the end of the financial year, Financial Services submits the annual PAYG reports and income statements to the ATO for all NT school body employees paid through SH funds. This data is recorded in CiA and occurs mid-way through the school's calendar year reporting cycle.

Further information can be found on the ATO website. A link to this website can be found in the Resources section of this chapter.

Principals must:

- comply with the PAYG law in every respect
- make sure all employee information, including tax declarations, are maintained in CiA
- pay PAYG withholding to the ATO by the due date.

21.2.12. Payroll tax

Payroll tax is an NT tax administered by the Tax Recovery Office (TRO). It is a tax on wages paid by employers where the total wages paid are more than the specified amount per month. There are specific definitions of what is classed as taxable wages and what is excluded. The rate is a percentage of the taxable wages, and the return is lodged monthly through INTRA, an online system accessed by a myID linked to the school. Payroll tax related to NT Public Sector employees is managed centrally by DCDD from DH funds. Schools must pay any required payroll tax on school body employees from SH funds.

Principals must:

- comply with the payroll tax law in every respect
- monitor the school's taxable wages to determine if payroll tax becomes payable
- register with the TRO and pay the required payroll tax if taxable wages are more than the required amount.

21.2.13. Superannuation

All Australian employees aged 18 to 75, plus employees under 18 working 30 hours per week or more, are entitled to have superannuation contributions paid by their employer. The superannuation guarantee (SG) is the minimum amount employers must pay. The SG is described as a percentage of an employee's ordinary time earnings. Funds are paid into eligible employees' chosen funds or their stapled superannuation fund if they have not made a choice of fund.

Superannuation details are entered into CiA when employees are established in the system, and payment of superannuation is initiated by the school each pay day.

If the SG is not paid to the right fund within 7 days of payroll processing, schools must pay a SG charge.

Principals must:

- comply with the superannuation law in every respect
- monitor the operation of superannuation processing through the payroll reports
- pay the SG on pay day
- pay any SG charges incurred.

For further information, schools can contact their superannuation clearing house or the ATO, and the Accounting chapter of this FARMS manual. A link to the ATO website can be found in the Resources section of this chapter.

21.3. School body responsibilities

21.3.1. Australian business numbers

Australian business numbers (ABN) are unique numbers used to identify businesses. When NT Government schools are created, or gazetted, the school bodies are registered for an ABN as NT Government entities registered for GST.

School bodies must not:

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

21.3.2. Deductible gift recipients

School bodies must:

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

21.3.3. Goods and services tax

GST is a broad-based tax on most goods, services and other items sold or consumed in Australia. School bodies must collect GST when they receive payment for sales with GST and make payment for purchases made with GST.

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

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

School bodies must:

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

All motions considered must be recorded in the meeting minutes and all decisions must be recorded in the school's decision register.

21.3.4. Fringe benefits tax

School bodies must:

- ensure all FBT is lodged for school body employees.

21.4. Resources

Resources	
ABN Lookup	https://abr.business.gov.au/
Auditors and Bookkeepers panel contract	https://confluence.nt.gov.au/display/SFSH/Auditors+and+Bookkeepers+Panel+Contract
Australian Business Register	https://www.asic.gov.au/for-business-and-companies/business-names/register-a-business-name/
Australian Taxation Office	https://www.ato.gov.au/
Australian Taxation Office – Access Manager	https://www.ato.gov.au/online-services/access-manager
Australian Taxation Office - GST	https://www.ato.gov.au/businesses-and-organisations/gst-excise-and-indirect-taxes/gst
Australian Taxation Office – Online services for business	https://onlineservices.ato.gov.au/business/BusinessLogin.html
Ci Anywhere	https://ntdoe.t1cloud.com/
Defence Force Reserves – Employer support payment scheme	https://www.reserveemployersupport.gov.au/employers-of-reservists/employer-support-payment-scheme/
Deductible Gift Recipient Categories	https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/getting-started/in-detail/types-of-dgrs/dgr-table-deductible-gift-recipient-categories
FARMS risk assessment – CiA - forms	https://ntdoe.t1cloud.com/T1Default/CiAnywhere/Web/NTDOE/Forms/MyFormsDefinitionEnquiry/Index?f=$TB.FRM.MYFRMDEF.ENQ&h=eAMDdnTRxF&t=1A5AA3CD&suite=CES&pagekey=20260309140955
Integrated Revenue Application (INTRA)	https://treasury.nt.gov.au/dtf/territory-revenue-office/intra
InvoiceNTG	https://invoicentg.nt.gov.au/
Jira Portal	https://jira.nt.gov.au/servicedesk/customer/portal/115
myGov and MyID	https://www.myid.gov.au/using-myid-with-mygov
RAM | Relationship Authorisation Manager	https://authorisationmanager.gov.au/#/login
School vehicles - procedure and guidelines	https://elearn.ntschools.net/media/file/18565
Territory Revenue Office – payroll tax	https://treasury.nt.gov.au/dtf/territory-revenue-office/payroll-tax
Vehicle Booking System	https://ntgcentral.nt.gov.au/online-systems/vehicle-booking-system
Vocational education and training (VET)	https://nt.gov.au/learning/adult-education-and-training/vocational-education-and-training-VET
VET Portal	https://vocationaltraining.nt.gov.au/Pages/Register/User

21.5. Policies and guidelines

Policies and guidelines	
Accounting Treatment of grants paid to schools	https://elearn.ntschools.net/policies/7979
Hospitality - entertainment and work refreshment policy	https://elearn.ntschools.net/policies/4317
School Vehicles	https://elearn.ntschools.net/policies/4308

21.6. Content referenced in other FARMS chapters

Content referenced in other FARMS chapters
Accounting
Cash management
Funding – Self generated
Funding – Additional sources
Infrastructure
Procurement and expenditure management
Reporting

21.7. Governing legislation

Governing legislation	
Education Act 2015	https://legislation.nt.gov.au/en/Legislation/EDUCATION-ACT-2015
Education Regulations 2015	https://legislation.nt.gov.au/Legislation/EDUCATION-REGULATIONS-2015
Income Tax Assessment Act 1936 (Cth)	https://www.legislation.gov.au/C1936A00027/2021-04-04/text

21.8. Acronyms

Acronym	Full form
ABN	Australian business number
ABR	Australian Business Register
AGM	Annual general meeting
ATO	Australian Taxation Office
BAS	Business activity statement
CE	Chief Executive
CiA	Ci Anywhere
DCDD	Department of Corporate and Digital Development
DGR	Deductible gift recipient
DH	Department-held
FARMS	Finance and resource management for schools
FBT	Fringe benefit tax
GST	Goods and services tax
INTRA	Integrated revenue application
MSMSC	Multi school management council

Acronym	Full form
NT	Northern Territory
PAYG	Pay as you go
RAM	Relationship Authorisation Manager
SBS-Finance	School Business Services - Finance
SDE	Senior Director Education
SG	Superannuation guarantee
SH	School-held
SMC	School management council
TFN	Tax file number
TRO	Tax Recovery Office
VET	Vocational education and training

22. Travel – Under development

This chapter remains under development.

23. Vehicles – Under development

This chapter remains under development.

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Version	Date	Author	Changes made
1	April 2024	Finance Systems Innovation, Financial Services	Version 1 is 50:D24:15967 Transitional content to support schools to transition to the FARMS manual requirements prior to publication of Chief Executive Officer approved guidelines under section 112 of the Education Act 2015
2	September 2024	School Business Services, Financial Services	Version 2 is 50:D24:98811 Administrative amendments approved by Senior Director School Business Services, refer to 50:D24:57069 made to streamline Introduction section to governance focus incorporating Chapters 1 – 4 effectively removing these 4 chapters which changed the numbering system
3	November 2024	Financial Services	Version 3 is 50:D24:136954 Administrative amendments to align to Financial Services restructure and MOG changes. Updates to reflect changes to policy positions for 2025 budget release, including new School cash policy and guidelines and Surplus and deficits policy. Incorporated SRM glossary into FARMS definitions
4	October 2025	Financial Services	Version 4 is in 50-DBOX25-1903 New template / corporate colours, Updated links, realign to new structure, ensure contemporary language and plain English, aligned chapters alphabetically with provision for future inclusions, standardised format and layout, improved cross referencing and updated 2025 budget allocations.
4.1	December 2025	Financial Services	Version 4.1 is Strengthened advice re: timeframes for school held budgets to be prepared, auditor services, school fees and voluntary contributions and improved governance and compliance.
5	July 2026	Financial Services	Version 5 is 50-D26-46115 Strengthened school body responsibilities.

			Updated motions and decisions terminology. Strengthened terminology references for school bodies to consider motions