

Verdala International School
Board Policy Manual 2020
Finance

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VIS FUNDS

2.1 Management of VIS Funds

Verdala International School Foundation (hereinafter “Verdala”, “School” or “Foundation”) is established as a “Not – for – Profit” organization. This is evidenced by the clause in the Memorandum of Association which specifically indicates that the net income is not distributable to its foundation members.

The responsibility for the management of the business affairs of Verdala is vested in the Head of School. The Head of School is and shall be assisted by the Financial Controller in relation to the financial affairs of the school.

The Board Financial Policies adopted by Verdala in the accounting for Assets, Liabilities revenues, expenditures and year-end financial reporting are guided by Generally Accepted Accounting Principles (GAPSME) and the laws of the Republic of Malta.

All financial statements are prepared on the historical cost and going concern convention.

The fiscal year of the school shall begin on the 1st day of September and end on the 31st August of the following year.

2.2 Financial Operating Procedures

All finance policies align with the Financial Operating Procedures, which are set up by the Finance committee and approved by the Board of Directors. This document is reviewed every four (4) years.

See Appx. 1 – Financial Procedures

2.3 Annual Budget (Budgeting Process)

It is the responsibility of the Head of School as assisted by the Financial Controller, to prepare an annual budget for the school financial year (September – August). The budget will be approved by the Board of Directors upon recommendation of the Finance Committee.

2.4 Annual Budget Time Line

By not later than 30th October the Leadership Team and the Finance Committee will discuss the budget framework for the following fiscal year and establish parameters to guide the Financial Controller in the preparation of the budget for the forthcoming scholastic year.

By not later than 30th November the Financial Controller will present a first draft proposed budget to the Finance Committee, who will review, discuss and amend as necessary. The first draft will then be presented to the Board of Directors by means of electronic communications (including for the avoidance of doubt, email) 10 days prior the Board Meeting held in December of that same year.

By not later than 31st December, the Board of Directors will review the first draft of the Foundation's annual budget, authorising the Head of School and the Financial Controller to compile staff recruitment plans for the following school year.

By not later than 31st January, the Board of Directors shall adopt the proposed budget for the forthcoming fiscal year. The adoption of the budget by the Board of Directors authorises the Head of School and the Financial Controller to commit the resources as provided within the budget for the next fiscal year. Such commitments shall not affect the liquidity of the Foundation or the implementation of the budget of the current year.

2.5 **Payments within Annual Budget**

All payments included within the Annual Budget require written authorisation from both the Head of School and/or the Financial Controller. In the absence of either the Head of School or the Financial Controller, written authorisation is required from the Chairman of the Board of Directors.

2.6 **Payments for items outside Annual Budget**

Payments in relation to items not included in the Annual Budget amounting to less than Eur7, 000 must be authorized by both:

- The Head of School or the Financial Controller and
- The Chairman of the Board.

Payments for items outside the Annual Budget and exceeding Eur7, 000 must be approved in writing by at least four members of the Board of Directors. In both cases such payments must be presented for ratification at the next available Board Meeting.

2.7 **Appointment of Auditors and presentation of Audited Financial Statements.**

The services of a reputable auditor or audit firm will be engaged at each Annual General Meeting ("AGM") to audit the financial statements of the Foundation in accordance with local law.

The auditors will present the audited financial statements during the AGM for discussion and approval by the members present at the AGM in March.

Three weeks prior to the AGM the Head of School will send a draft of the Audited Financial Statements to the members, also inviting all members to have one to one meetings with the Foundation's Financial Controller and / or the Audit firm, should there be need of any explanations and /or clarifications.

2.8 **Financial Payments Appendix**

The Financial Payments Appendix will be updated annually, taking into consideration any changes to be made thereto, which changes (if any) shall be approved by the Board of Directors. For the avoidance of doubt, all monetary amounts will be included in the table within the Appendix, and therefore no monetary amounts will be included within any financial policies.

2.9 **Financial Planning**

The Foundation is committed to the development of a long-term (5 years) financial plan that is in alignment with its Strategic Plan and Facilities plan. Although this long-term financial plan will be reviewed annually, it is intended to give a clear indication of the direction the Foundation is moving and ensuring that any projected or intended progress/ development is financially viable.

TUITION FEES

2.10 **Registration Fee**

An administration fee is to be paid by anyone who desires to view the School premises, to pay for assessment and testing and place themselves on the waiting list.

Upon initial admittance to the School, a non-refundable registration fee will be charged for each student regardless of date of entry. In the student's first year of study this will serve as a space reservation fee. Students who are readmitted to Verdala after a period away will not be charged the registration fee if they have been away for no longer than one year. Students who are readmitted after more than one year shall pay the full registration fee.

2.11 **School Fees**

School fees are invoiced twice a year as follows:

- In July covering Semester 1: September to January – payable by the end of August and
- In December / January covering Semester 2: February to June payable by the end of January

The total fee, as approved by the Board of Directors will be split into two parts:

- (a) The Tuition fee and
- (b) The Contribution toward Capital Projects, as advised by the Finance Committee.

2.12 **Tuition Fee Advance Payment**

In subsequent years, in order to guarantee a place at the School for the following scholastic year, parents are required to re-enrol their child and pay a non-refundable deposit on tuition per child, by 15 March. The advance payment will be deducted from the Tuition fee amount due for the next scholastic year.

Normally, this is a non-refundable deposit, however if parents inform the School prior to the 1st August that their child/children will not be attending, and if the place can be filled prior to the commencement of the scholastic year, the deposit will be returned to the parent.

2.13 Late Enrolment Fee Adjustments

- (a) Organisations, corporations or individual families who wish to reserve spaces for the students of their employees or their own children will be charged the entire year's tuition for that grade level regardless of when the students begin or end their studies at school*
- (b) Tuition for individual families not wishing to reserve a space will be pro-rated to include any month in which the student begins or ends instruction at Verdala **
- (c) Charges for Residency Programme students shall be calculated according to the above 2 stipulations.
- (d) Exceptions to this policy must be reviewed by the Board of Directors.

2.14 Tuition/ Residency Payment and Schedules.

The School's fee structure will be reviewed annually and may be modified, at the discretion of the Board of Directors, without General Meeting approval or notification.

Tuition and other fees for a given semester are due and payable prior to the beginning of that semester. Invoices will be issued in advance in order to provide adequate time for parents to make payments as necessary.

Residency Programme fees are collected on an annual basis and are due and payable prior to the start of school for a given academic year. In the event that the parent of a residency student wishes to withdraw the student during the first month of the academic year they will be refunded the pro-rated amount of unused residency fees less €700. Where such withdrawal is made after the first month of the academic year, any such fees paid are non-refundable.

The Head of School may approve a modified fee payment schedule provided payments are made in advance unless otherwise approved by the Board of Directors.

2.15 Parents on Payment Plan

If families of students at Verdala, experience unexpected and temporary financial setbacks which jeopardise the family's ability to honor payments as per the present financial policy with respect to the School Fees policy, in order to minimize or even prevent sudden disruption to the student's continuing studies at the School, Verdala may offer the possibility of a repayment programme plan (the 'Plan') for School fees (collectively referred to as 'the Fees') or a deferral of the Fees, by allowing such Fees to be paid through a series of three (3) instalments rather than a single payment. In such instances families need to complete a Payment Plan Application form (available from Accounts) in accordance with the guidelines as set out in B2 Appendix 3: Temporary Payment Plan Policy Procedures

2.16 Overdue Fees

Parents with overdue fees will be notified of the payments due at least one week before the end of the first month of each semester. In the event that fees remain unpaid after school starts, the student in question **will be suspended** until the payment is made and the matter is resolved.

Students with any such overdue accounts will be charged interest at the maximum rate allowed by law. Students whose fees are paid directly by parent companies may be given a grace period at the beginning of each semester.

School records and report cards will not be issued for students having overdue accounts.

2.17 **Withdrawal from the School**

Notice in writing must be given to the Head of School no later than the dates in each year shown in column A of the table below if the Parents wish:

- (a) To cancel a place at the School which they have already accepted;
- (b) To withdraw the pupil after entry to the School;

Before the corresponding date shown in column B of the table below. Parents who fail to give notice of withdrawal by the date in column A will be invoiced in the amount of one third of annual tuition fees unless waived by the Head of School and the Financial Controller, if in their joint opinion the reasons for withdrawal of the parent (s)' reasonable knowledge or control.

A (Latest date of notice)	B (Earliest date of withdrawal)
15 th March	First School day in September
15 th October	First School day in January

2.18 **Refunds of Tuition Fees**

In general, no remission of fees will be allowed within a given school year due to student absences (justified or unjustified), expulsion, or suspension from school. In the event that during any one or more semesters, Verdala is forced to close its physical premises and /or restrict access thereto and/or is otherwise unable to provide educational services at any of Verdala's physical premises due to exceptional circumstances beyond Verdala's control and/or otherwise due to force majeure (including but not limited to strikes wars, terrorist attacks, earthquakes, floods, power outages and/or pandemics) any and/or all fees paid to Verdala will **not** be refunded (not even on a pro rata basis) provided that Verdala must have provided alternative educational services remotely (including but not limited to online learning or tuition) during any such period of time where the physical premises would have otherwise been open and/or accessible. Having said that, in such scenarios, the VIS Temporary-Payment Plan Policy Procedure for Fees for Scholastic year 2020-2021 may be availed of subject to the applicable terms and conditions contained therein.

An appeal to the Board of Directors may be made in the event that uncontrollable circumstances (not detailed above) require the departure of a student early in any semester.

2.19 **Residency Programme for Students.**

- (a) Verdala is committed to providing a 'Residency programme' for students. Verdala will ensure that the student is provided with proper 'licensed' accommodation with a host family, preferably in the vicinity of the school and including adequate lunch/dinner as per dietary requirements of the students (to be provided by the host family).

Residency programme fees are established by the Board of Directors together with yearly tuition fees. Residency programme fees are issued in one invoice once a year during the first week of August and are payable in full prior to the first day of school.

(b) Residency Programme Refundable Emergency Fund

Residency programme students are required to maintain a refundable emergency fund of €350, to be used in the students' interest at the discretion of the Foundation. This fee will also serve as a residency facility damage deposit.

2.20 Fees for Staff Dependents

With effect from September 2020, full time teaching staff will receive as part of their compensation, the waiver of the tuition and registration fees * for up to six years for up to two children (dependents) enrolled in the School. The last two years of the said six years are subject to condition that an indefinite contract is offered to the teaching staff member concerned. Staff teachers will pay an annual capital contribution per dependent child, which may be paid in instalments.

Dependent children are children of the teacher or of his/her spouse or other civil partner for whom the teacher/staff member has financial responsibility. The School may require documentation as evidence of the status of the spouse/ civil partner and the dependents and retains discretion over whether to grant this benefit and other benefits mentioned in this policy to the spouse/ civil partners and dependents of the teacher. The teacher must also keep the School informed about any change in the status of the spouse/ civil partner and/or dependents for the purposes of the benefits under this policy.

After the 6th year, fees would become payable as indicated in the schedule which follows.

7th year – 25%
8th year – 50%
9th year – 75%
10th year or more – 100%

This policy for teaching staff dependents has a cap of 7% of the total school population and would only continue until such time as it is no longer considered viable due to circumstances beyond the control of school administration.

Written agreements with current staff members will be honoured by the School until such time as it is no longer considered viable due to circumstances beyond the control of School administration.

The child must meet and maintain expected standards of the School's admission criteria and student conduct. All other charges besides the concessions made in this Clause shall be paid in full.

In the case that the concerned child's school fees are normally covered by the employer of the spouse of the Verdala teacher(s) concerned, the waiver contemplated under this Clause shall not apply.

Moreover, this waiver shall only apply for as long as the teacher concerned remains employed by Verdala on a full-time basis. For the avoidance of doubt, this waiver shall not apply to teaching staff members employed on a part time basis and to those members who are no longer employed with Verdala.

*This exemption only applies for tuition and registration fees. All other school fees, for example capital contributions, field trips, stationary, uniform etc., do not fall under this exemption and have to be paid in full (or as per current policy) by the parent member of staff as required.

Other Areas

2.21 Insurance Management

The School shall maintain an insurance programme covering the following areas:-

1. Special peril.
2. Theft.
3. Fire.
4. Public Liability.
5. Professional Travel.
6. Employee Liability.
7. Electronic Equipment.
8. Money.
9. Student/Staff Disability.
10. Directors Liability
11. Other ad hoc policies covering activities (ex-Field trips / overseas travel)

2.22 Fund-Raising

For the purpose of fund-raising, Verdala will only make its premises and/or staff available for events organized and approved by the Booster Club Executive Committee, and (A) specifically only Booster Club events where all funds raised are dispersed at the discretion of the Booster Club Executive Committee, or (B) for specific projects sanctioned at a meeting of the Board with a total planned expenditure in excess of €20,000 Euros.

Upon recommendation of the Head of School the Board of Directors may consider requests from third parties wishing to rent School premises during the summer holidays.

2.23 Facilities

Verdala is committed to providing facilities (indoors and outdoors) which meet the needs of the School's adopted programs and which provide a safe and healthy environment for students, staff and families. The Board of Directors will, as needed, direct the Head of School to appoint a Facilities Taskforce to assess facilities effectiveness and to make recommendations regarding site development, facilities renovations, and maintenance needs.

In addition, the Head of School or his/her designee will develop procedures and protocols to process and respond to facility maintenance needs and concerns.

As part of the School's strategic planning a long-term (5 years) Facilities plan should be aligned with a long-term (5 years) financial plan.

B2 Appendix 1 - Financial Procedures

B2 Appendix 2 - Table of Financial Payments

Benefit/ Payment	Expenses			
Year	2020-21			
Administration Fee	300 Euro			
Non-refundable registration fee	5000 Euro			
Annual Re-enrolment deposit (non-refundable)	1500 Euro			
Staff Capital Contribution	250 Euro			
Residency Programme Refundable Emergency Fund	350 Euro			

Approved June 2020

B2 Appendix 3- Payment Plan Policy Procedures

1. Objective

(a) Should the families of students of Verdala experience unexpected and temporary financial setbacks which jeopardize the family's ability to honor payments as per present financial policy in the normal course, with respect to School Fees (Finance policy 2/16), the School may offer the possibility of a repayment programme on plan (the 'Plan') on the above School Fees (collectively referred to as 'the Fees') or a deferral of the Fees, by allowing such Fees to be paid through a series of three (3) installments rather than a single payment, in order to minimize or even prevent sudden disruption to the student's continuing studies at the School.

(b) The purpose of this Temporarily Payment Plan Policy is to outline the criteria and procedure for offering such Plan (payment of dues by installments).

(c) The purpose of this Policy is not to provide long-term tuition fee reductions for groups or individuals who may otherwise not be able to afford the School's fees but rather to offer a flexible payment plan, agreed upon beforehand, thereby helping parents to manage cash flow problems which may possibly be encountered.

2. Policy

(a) The Plan is only available to all students already studying in the School. It is not available to prospective students.

(b) Such an agreed Plan is intended to help families overcome sudden and temporary financial difficulties, so in principle, it should be considered as a short-term agreement to cater for an extraordinary (and unforeseeable) set of circumstances not a long-term commitment.

(c) This Plan is applicable only to the Fees and not applicable for payments relating to :

After School Activities, Overnight trips/ stays, International Trips, Payments for items (eg. school T shirts for Elementary students, or any other items not included in school tuition fees)

(d) The School reserves the right to cease any agreed Plan at any time for the same reasons it may decide to suspend or expel a student under normal circumstances, including but not limited to student behavioral problems, unsatisfactory academic performance or lack of parent cooperation or involvement based on the Charter of Success of the School.

(e) Any requests to avail oneself of a Plan must be made by duly filling in and submitting the Repayment Programme Plan Application Form (the 'Application').

(f) The School reserves the right to approve or reject any application for a repayment plan requested.

(g) All applications shall be handled in the strictest confidence and, where required, shared among school staff strictly on a need to know basis for administrative purposes.

(h) The School's Financial Controller shall develop and keep updated a set of standards of major living costs, e.g. rent, to verify whether household expenses stated in the application are reasonable.

(i) The School shall maintain a full set of records of all approved Applications. Such records and any and/or all personal data contained therein, shall be processed on the basis of necessity for the performance of the School's contractual obligation (Article 6 (1)(c) GDPR, for as long as is necessary and at the very least for up to five years from the date of the last payment made relating to the Plan. Any data that can be deemed to be 'records of income and expenditure' in terms of applicable income tax law must, by law, be kept by the school for a period of 9 years. More information on how the Schools processes personal data can be found in the School's Master Privacy Policy.

(j) The Financial Controller shall produce regular reports to the Head Of School, School Leadership Team, Admissions Manager and Accounts Department Executive listing all students availing of a Plan, showing the actual Plan agreed and the progress on payments received in relation thereto.

3. Procedure

(a) Parents/ Guardians (the "Parents") should request and complete a Repayment Programme Plan Application Form and submit the form duly filled in with the required information to The Head Of School and/or the Financial Controller.

(b) The Plan may be granted if endorsed by the Financial Controller and approved by the Head Of School and provided that the Plan can be accommodated within the School's budget guidelines/targets.

(c) The Plan is for a period no longer than the current and following academic year(s).

4. Terms and Conditions

(a) Any application to be considered for acceptance by the school must be duly filled in in accordance with Section 3 of this Policy.

(b) Upon an application being accepted by the School, the School shall inform the parents of such acceptance, at which point payments can be made at the discretion of the parents in accordance with Section 4 of this Policy.

(c) While the Plan does not exonerate parents from paying the original amount due for the respective fees, which shall remain due to the School in full, the parents may apportion such amount to be apportioned over a series of three payments as mutually agreed with the Financial Controller, provided that the entire amount due shall be paid in full by no later than 3 months from the semester due payment according to financial policy.

(d) All payments should be affected by post-dated cheques drawn on a local bank or by Bills Of Exchange in favour of Verdala, which are to be sent to school by registered post

(e) The School shall provide a receipt of payment to the parents within two weeks of receiving payment.

(f) Should any terms of the policy be infringed or otherwise not adhered to by the parent/s (including, in particular, any due payments not being successfully affected in favour of the school within the indicated timeframes) the Plan shall be considered void. Any outstanding

amount will immediately become due to the School and the student will be immediately disenrolled.

(g) Should an application be made for more than one fee, failure to honor the payment for the first such fee, in terms of this Policy, shall automatically void the Plan with respect to all subsequent fees. Any amounts paid prior to such default shall not be refundable.

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B2 Appendix 4 - Finance Policy Control Information Sheet

(All dates written year/ month/ day)

Document references	Document Control	Authorisation	Modification History
<i>Title/no.</i>	<i>BOD approval</i>	<i>Person making change</i>	<i>With effect from</i>

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