

Title: Financial management

Approval by: Board

1 General

The school shall have a system for financial management in accordance with good business practice and with legal requirements (e.g. the Regulations on Finance to the Private School Act /"Økonomiforskrift til Friskoleloven"). The DP Administration is responsible for the establishment and operation of this system, and for reporting periodically to the Principal and to the Board on the financial situation.

All school funds shall be used for the benefit of the school and education of its students. The Foundation and the school do not pay dividends.

2 Budgets

An annual budget for the calendar year shall be presented to and approved by the Board before the end of the preceding year. The budget shall show month by month accruals, and be itemized according to a standard set of accounts. The budget shall include both profit-and-loss and a balance sheet.

The Board may revise the budget once a year. The revised budget will serve as the budget for the remainder of the year.

3 Accounting and auditing

The accounts shall be kept in an electronic accounting system based on Norwegian Standard NS 4102. A system for secure storage and back-up of accounting data shall be established. Printed records shall be preserved securely for a period of minimum five years.

A report showing aggregate revenues and costs, real and budgeted, shall be prepared monthly by the DP Administration and presented to the Principal and to the chair of the Board. Any significant deviations between budget and actual figures shall be explained. The Board shall annually appoint an external auditor for the following year. The accounts are audited annually, and sent to the Board for approval before being sent to the appropriate authorities.

4 Authorities

Any expenditure or financial obligation, including access to IST bank accounts, for IST shall be verified by the DPA and signed by the Principal, under the "four eyes principle". In addition all invoices are

sent to an authorized accountant for payment and bookkeeping. Limits on authorisation follow from the table below:

Expenditure	Approved by	Comment
Operating expenses below 10.000 NOK	DP Admin	
Operating expenses above 10.000 NOK	Principal	
Investments	Board	See section 5
New hires, within approved staffing plan	Principal	
New hires, outside approved plan	Board	

The authorized persons indicated may delegate some of their authority to other employees on a temporary or permanent basis. Such delegation shall be in writing, with a copy to the DP Administration.

5 Procurement

Purchases or commitments above 500.000 NOK shall be subject to competitive tendering, unless an exception is granted by the Board.

No financial commitment shall be made to third parties that represent or are closely related to employees or members of the Board, without the express approval in writing of both the DP Administration and the Principal. Employees' salaries and reimbursement of travel expenses are exempt from this rule.

6 Reimbursements

Employees and others may be reimbursed for expenses incurred on behalf of the school. Such reimbursements shall not be used contrary to the guidelines given in sections 4 and 6 above. Travel reimbursements are made based on the Norwegian State travel regulations. All travel and hospitality costs shall contain appropriate documentation, purpose and person/s concerned.