

MOE circular 2013/06 provides advice on the rights of Boards of Trustees, Proprietors, parents, and students in respect of requests for donations¹ and other forms of payment in schools. The advice includes information about:

- The Education Legislation relating to the right to free enrolment and free education
- Attendance dues and donations paid to Proprietors at state-integrated schools
- The provision of information for parents

Terminology

This circular covers the three basic types of payments by parents² to schools:

1. *Attendance Dues* – parents have no choice at all but to pay (state-integrated schools only). This is the only instance of a compulsory payment in schools.
2. *Charges* – payment must be made for the purchase of goods or services, but only after a parent has freely chosen to make the purchase. Examples include food from the canteen, and a stationery pack bought from the school rather than from a downtown retailer.
3. *Donations* – payment is entirely voluntary. Donations fall into two categories – general (for any unspecified purpose) and specified (for a particular purpose, such as library books or sports equipment).

Summary

No payments are compulsory

except for

- attendance dues
- charges for voluntary purchases of goods and services

School payment requests may vary from school to school. There is no charge for education at state and state-integrated schools for students aged 5-19 years who are domestic students³.

In state and state-integrated schools' charges can apply where a student has chosen to buy and take home an item or chosen to participate in an activity additional to the delivery of the curriculum. As with the supply of any good or service, prior agreement is needed before any charge can be made. Boards of Trustees may also ask for, but cannot insist on, payment in advance for various goods or services it knows are likely to be provided during the year.

Proprietors of state-integrated schools may charge a compulsory levy called 'attendance dues'. The level of attendance dues must not be greater than the amount approved by the Minister of Education and published in the New Zealand Gazette. There can be no interest charged for unpaid dues. Proprietors are also able to seek donations.

Other than attendance dues in state-integrated schools and charges for goods or services, all other requests for payment should indicate clearly that they are a request for a donation and accordingly are voluntary in nature. Boards of Trustees and Proprietors are able to request donations, and may suggest an amount for a general or specified donation. Where a donation is requested, payment can neither be insisted on nor enforced and interest should not be charged.

In prospectuses, website information, and notices to parents, Boards of Trustees must clearly distinguish between charges and donations. Further, in state-integrated schools, it must be made clear which payments are being sought by the Board of Trustees and which are being sought by the Proprietor.

Proprietors of state-integrated schools

The legislation enables Proprietors to collect attendance dues once those dues have been approved by the Minister of Education and notified in the New Zealand Gazette. The attendance dues are compulsory. Non-payment may result in Court action, and the Principal of the school may suspend a student and remove that student's name from the school register if the dues are not paid.

The Act also requires Proprietors to provide audited annual accounts of attendance dues income and expenditure to the Secretary for Education.

Elsewhere in the Act provision is made for Proprietors to seek contributions (donations) for any purpose. Those contributions must be voluntary. Proprietors must make audited accounts of those contributions available on request to parents and to other contributors.

Donations

Many Boards of Trustees (and Proprietors) will ask parents to pay a specified sum of money to support the provision of additional services which benefit students. It is lawful to seek such donations (general or specified) – but they are voluntary. Parents have the right to pay donations in full, in part, or not at all.

Fundraising by Proprietors

Under the legislation, Proprietors may fundraise. This means Proprietors of state-integrated schools may request donations. Parents cannot be compelled, however, to pay donations or to become involved in fundraising activities.

Financial management of payments

Requests for payment must make a clear distinction between attendance dues, charges, and donations - and between Board of Trustees' and Proprietors' items.

Ideally, invoices should specify attendance dues (for state-integrated schools) and charges for agreed optional goods or services only. Strictly speaking, Boards of Trustees and Proprietors cannot 'invoice' donations as non-payment of donations does not give rise to a debt that is owed. On the other hand, it can make practical sense to list all requests for payments in a single document. In such cases, it must be made very clear which payments are voluntary and which are not. It is misleading to include a donation within a total which is described as 'owed' by a family.

Schools should not record unpaid donations in accounts receivable.

Attendance dues and donations to a Proprietor must be accounted for separately from Board of Trustees items, since they are the income of the Proprietor, and not of the Board. In particular, there must be no suggestion that attendance dues and donations are one and the same thing.

Notices or reminders which are poorly set out or where items are not correctly described can cause confusion. The terms 'fee' and 'levy' should not be used in relation to donations.

Donations become part of Board of Trustees' funds once given to the school, and thus must be accounted for and spent by the Board in accordance with the Board's normal legal responsibilities.

MOE website link

<http://www.education.govt.nz/ministry-of-education/publications/education-circulars/2013-circulars/circular-2013-06-payments-by-parents-of-students>