



Department: Finance
Section: Departments of Finance and Operations

School Based Funds

All funds generated within the school environment by students, staff or volunteers are considered to be school based funds for financial reporting purposes with the exception of funds raised by properly constituted organizations that operate independently and are not subject to the Principal's jurisdiction. Examples of such organizations are Home and School Associations and Band Parent Associations.

School Staff Accounts are employee-owned accounts and are not to be included with school based funds or in the school's bank account.

School Based Funds include but are not limited to; school fees, class fees, program/activity fees, student council activities, donations and fundraising.

Responsibility

The Principal is responsible for all the financial activity that occurs in the school and for the proper recording and reporting of all transactions that may occur at the school. The Principal or designate shall review all financial activity at least monthly during the school year.

Purchasing

School based funds are subject to the school board's procurement policy and administrative procedure (200.1 Tendering & Purchasing). All purchases must be made in accordance with this policy and its administrative procedure. The regional purchase order system should be used for all major purchases to ensure proper tax rebate recovery.

Accounting System

The school board shall supply and support a standard computerized accounting system for each school site to facilitate the proper recording and reporting of all school based financial activity. All transactions, revenue collected and funds disbursed or transferred, must be recorded in the accounting system.

Fiscal Year/Reporting Year

Each school must file with the school board an annual financial statement covering the twelve month period from April 1st of one year to March 31st of the next year. This report must be in the proscribed format to facilitate consolidation with other schools' reports and must include all school based funds. The deadline for the submission of the annual financial report is April 30th.

Bank Accounts

All school based funds must be maintained in an account in the name of the school at a bank or other authorized financial institution. Schools are encouraged to maintain as few individual bank accounts as possible. Activity separations can be accomplished within the accounting system. Separate bank accounts should only be maintained for special purposes where it is essential that the funds be in a segregated account. All accounts will be reported in the financial reports. All bank accounts must be reconciled monthly with the accounting system (Banks require all discrepancies to be reported within 30 days of the issuing of the bank statement).

Signing Authority

All bank accounts will have a minimum of two signatures required for any expenditures or transfers. One of the signatures will be a member of the school administration or, in the case of a special purpose account, such as a Student Council account, the administration may designate another staff member to sign on their behalf.

Documentation

- Proper documentation must be utilized for all financial activities and transactions. This documentation is subject to audit and must be maintained in a secure and well organized fashion. Financial records must be retained for a period of seven years before they may be destroyed.
- A pre-numbered receipt must be issued for all funds received. In the case of a bulk receipt of funds a single receipt may be issued supported by a detailed listing of the source of the funds. Detailed listings are not required for small amounts collected where there is no need to know who paid and didn't pay. All voided receipts must be kept on file.
- Pre-numbered cheques must be used for all disbursements and must be supported by an approved invoice or authorized payment documentation. Unused cheques should be kept in a secure location. All cheques must be made out to a specific payee, never to "cash". All voided cheques must be kept on file.
- Payments made in cash are discouraged but if necessary a voucher will be signed by the recipient and the voucher will be recorded as a disbursement.

Controls and Procedures

Appropriate controls and procedures will be applied to all financial transactions to ensure they are properly conducted and to protect the individuals involved should an error occur or funds go missing. Duties will be segregated wherever possible to ensure that one individual does not have the sole responsibility for the collection, recording and deposit of any funds being collected. All transactions must be properly authorized before they are completed. The Financial Services Division will provide assistance to schools in the establishment of appropriate controls and procedures at the school site.

Care of Cash

Steps should be taken to ensure that cash, other than very small amounts, is not maintained in the school overnight and that this fact is made well known. While cash is in the school it shall be kept in a secure location under the control of two persons whenever possible. Standard procedures shall be developed for recurring situations where significant amounts of cash are received.

Fundraising Activities

All fundraising activities that occur in and for the school must be approved by the school principal. A fundraising plan must be provided which outlines the proposed activity and how the funds will be controlled and accounted for. A final report must be filed with the principal at the end of the activity summarizing the results and how the organizers know all funds were collected.

Budgeting School Based Funds

Schools are encouraged to prepare annual budgets for school based funds. This planning identifies the financial needs anticipated for the coming year and the sources from which the required funds will be acquired.

Investments

If schools have accumulated excess funds that will be held for an extended period of time, consideration should be made to place the excess funds in a short-term investment account. Only those investments protected by the Canadian Deposit Insurance Corporation are permitted.

Trust Funds

Any funds held in trust by a school for specific purposes such as scholarships and awards are school based funds and must be included in the annual report. (Schools should consider utilizing the school board's Foundation Account Service which currently manages in excess of \$1 million in trust funds.)

Guidance & Support

The Financial Services Division will provide ongoing guidance and support for the management of school based funds. Staff will be available to assist with the setup of proper operating procedures at the school site and to respond to questions from school staff. Appropriate training and professional development will be provided on an ongoing basis in conjunction with the Human Resources Department.

Auditing of School Based Funds

School based funds, like all school board funds, are subject to audit by the school board's external auditors. In order to minimize the need for the external auditors to visit individual schools, a program of internal audit will be implemented by Financial Services staff. These audits will be carried out with a minimum of disruption and will provide additional feedback and support to schools in the administration of their school based funds.

Standard Forms

All schools will use the standard forms developed and provided by the Financial Services Division. They will be revised periodically as required. These forms are to ensure proper internal controls within the schools as well as to protect all Board employees. Special purpose forms may be created and used **only if** they have been approved by the Coordinator or Assistant Coordinator of Financial Services.

Monitoring

- The Director of Finance is responsible for the implementation, monitoring and revision of this administrative procedure.
- This administrative procedure will be monitored annually.

Superintendent Approved: October 19/05

Ref: BP 200.6; BP/AP 200.1 Tendering & Purchasing

Monitoring Date: Annually

Revised: March 24/06; March 3/16