

MANAGEMENT OF SCHOOL FUNDS

According to the *Public Schools Act*, Subsection 56(4), school funds are cash assets that the principal of each school, subject to the rules of the school board, may raise, hold, administer and expend for the purposes of the school. School funds include amounts provided by the Division to schools to be used for prescribed purposes and money raised by the school, through fundraising activities and other means independent of the Division. School funds fall into two categories: school generated funds and division allocated funds. Some examples of each are listed below.

i) School Generated Funds

- ✓ Fund raising activities
- ✓ Canteen/vending machines (school operated)
- ✓ Donations
- ✓ School Pictures
- ✓ Dances, Car Washes, Raffles
- ✓ Hot Dog Days or Fun Lunches

ii) Division Allocated Funds

- ✓ Specific grants (e.g. Professional Development)
- ✓ Allocations from the Division (budget allocations)
- ✓ Items purchased by the Division that will belong to the school; e.g. library books

A. General Regulations for School Generated Funds

1. Auditing - School funds will be subject to audit on a rotational basis. Schools that include programming for Grade 7 and higher will be audited on a yearly basis. All other schools will be audited once every three years. During the audit, controls and procedures will be reviewed to ensure all schools are compliant. A copy of the completed audit notes will be sent to the principal, administrative secretary, secretary treasurer, and Finance and Planning Committee.

2. Cheque Issuance - All cheques issued must be supported by appropriate back-up. All staff members are required to complete a school cheque requisition with complete back-up, including supplier invoices or receipts and transaction detail listings from personal credit/debit cards. Personal credit card purchases may be used ONLY in cases where the vendor will NOT accept a school cheque. Summary listings such as debit/credit slips and supplier

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statements are not sufficient. School cheque requisitions must be authorized by an administrator (principal, vice-principal, teacher-in-charge) prior to the issuance of a cheque. All expenses must be school related.

All schools must have three different signing authorities available for cheque signature. Where a person receiving the cheque is one of the signing officers, the cheque must be signed by the other two signing authorities.

3. Receipting – All monies received by the school should be receipted daily in the system and placed in a locked, secure area until deposited to the bank. Cash should not be left in the school over a weekend or holiday period and must be deposited to the bank prior to any school break. All deposits for the bank must be cross-balanced between the system software being used and actual cash on hand prior to taking the deposit to the bank.

4. Fundraising – Restricted or Specific Purpose Funds – Fundraising refers to the general revenue raised through the sale of cookies, etc. where the parent is the conduit for the purchase to the school. Payment by a parent for a special expense or fee is not considered as fundraising within the context of this section.

All fundraising accounts must be supported by a letter from the school to the school community or parent body stating the nature and purpose of the fundraiser. All expenses must be taken directly from an account designated to the specific initiative. Money cannot be redirected for unrelated purposes. Balances cannot be rolled into general funds at year end but must be maintained in the fundraising account. All funds should be disbursed as outlined in the school letter with a residual of no greater than 5%, except where there is a stated short term project (one to three years) for which the revenue will be held.

All back-up, pledge sheets, etc. must be maintained as support toward the fundraising activity and be available for audit. Funds that are restricted or for specific purposes include, but are not limited to, special projects, lunch fees, field trips and user fees, camp or travel fundraising.

Fundraising monies that cannot be used for the intended activity or project (e.g. in the event of cancellation of a trip or inability of an individual to participate for personal reasons), will be held in the project account for use towards a related activity. For example, fundraising money earmarked for a band trip that is cancelled must be held in trust for a future band activity. Where parents have been asked and made a contribution toward payment of expenses for Their own child (as distinct from funds raised through fundraising activities) parents will receive a reimbursement for the amount of the contribution paid prior to the cancellation, to the same extent that the school is able to recover, through cancellation insurance and other means.

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5. Referees, Honoraria, Tutoring and Services - Schools making disbursements directly from school funds for referees, honoraria, tutor fees and services must be maintained and tracked through an Excel spreadsheet provided by the Division and submitted electronically to the Financial Officer on the last school day prior to the Christmas holidays. Tracking is not required for students receiving payment for tutoring or refereeing services. SIN forms will be required as backup to support each payment. All payees will be issued a T4A if earning \$500.00 or greater in a calendar year (Jan – Dec) with the following exceptions:

- a. Students receiving payment for tutoring and refereeing services. Schools that wish to continue paying these fees to non-employees directly through the Administration Office Accounts Payable Department can continue this practice.
- b. Divisional employees shall receive a T4A in all cases, including where such amounts are less than \$500.00 in any calendar year.

6. Scholarships - All payments for scholarships and PTESF (Pembina Trails Educational Support Fund) bursaries to students must be maintained and tracked through an Excel spreadsheet provided by the Division and be submitted electronically to the Financial Officer the last school day prior to Christmas holidays. SIN forms will be required as backup to support each payment. All students receiving scholarships of \$500 (or current Canadian Revenue Agency amount) and over will be issued a T4A.

7. Personal Purchases - Purchases that are not related to school functions are not to be paid through school funds.

8. Social Committee Fund - Where there is a social committee, all funds collected must be from employees and not allocated from surplus accounts. Purchases made must be related to the committee function. Personal purchases for reimbursement are not allowed. The GST rebate should not be taken because the expenses do not qualify as educational expenses.

B. General Regulations for Division Allocated Funds

1. Reimbursements to Schools – In accordance with Policy DJBA – Payment Procedures/Cheque Requisition Procedures – Schools, the following procedures are to be followed for reimbursements:

- a. Schools may make disbursements to vendors of up to \$250 even in cases where the vendor would ordinarily accept a purchase order. Reimbursements to the school will be made following the submission of a cheque requisition.

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- b. For disbursements of \$250 or more to vendors who normally accept a purchase order, a purchase order must be issued. If a purchase order cannot be issued, pre-approval from the Accounting Manager must be obtained.
 - c. In cases where the vendor would not ordinarily accept a purchase order, schools may make disbursements to vendors up to \$2,500. For disbursements exceeding \$2,500, a pre-approval from the Accounting Manager must be obtained.
 - d. Schools must supply vendors an actual purchase order copy prior to picking up the goods. Purchase Orders must not be generated by schools only to obtain a PO number.
 - e. Claims for reimbursement are to be submitted to the Administration Office on a single cheque requisition form at the end of each month or when total reimbursements exceed \$5,000, whichever comes first.
- 2. Vendor Information** - When disbursements are made from a divisional budget to a vendor who does not have a GST number, the school must obtain the full name, address, telephone number and S.I.N. of the vendor prior to acceptance of the service or product. Vendors will not be paid without the submission of a GST Number or Social Insurance Number.
- 3. Annual Reporting/Balancing** - For all Divisionally Allocated Funds, a copy of the annual fund account ledger must be sent to the Administration Office each June 30. This would include the Recoverable/Imprest Fund and the PD Account.

Recoverable/Imprest accounts must be reviewed and balanced at least quarterly. No transfers other than error corrections are allowed to bring this account to balance. Schools must ensure that this account is reconciled to the fund account ledger and in balance each June 30th.

Bank accounts must be reconciled within three weeks upon receipt of the bank statement. The principal or vice-principal of each school is to review and sign the bank reconciliation on a monthly basis. The reconciled statements must be kept on file consistent with Policy EHB – Records Management.

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