


Management of School-Generated Funds

	<p align="right">Adopted: June 28, 2011</p> <p align="right">Amended: August 10, 2020</p>
	<p>External References</p> <ul style="list-style-type: none"> • Education Act: Sections 85, 87, 175 • Public Accounts Regulations
	<p>Internal References</p> <ul style="list-style-type: none"> • AP 130 School Community Council Duties • AP 505 School Fees • AP 510 Accounting and Auditing • AP 511 Management of School Generated Funds – Appendix A – Accounting Best Practices • AP 511 Management of School Generated Funds – Appendix B – Goods and Services (GST) Rebate • AP 520 Fundraising • AP 525 Advertising, Corporate Sponsorship and Partnerships • AP 526 Charitable Donations • Form 511-1 Expense Claim for Payment from School Generated Funds • Form 511-2 Goods and Services (GST) Rebate

Background

The Division provides funding through budget allocations for school-based instructional programs. The Division acknowledges, however, that schools may collect fees and engage in fundraising activities to enhance the students’ educational experience.

School-generated funds are those services and programs for which the individual schools collect fees and take on fundraising activities.

Procedures

1. All school-generated funds are to be included in the audited financial statement of the Division.
2. Examples of school-generated funds include but are not limited to:
 - 2.1 School fees collected in accordance with Administrative Procedures 505 School Fees;
 - 2.1.1 Fees may not be levied in instances other than those in Administrative Procedures 505 School Fees.
 - 2.2 School Leadership Council (SLC)/Student Representative Council (SRC) funds;
 - 2.3 Sale of goods including, but not limited to, canteen sales, milk sales, vending machine proceeds;
 - 2.4 Fundraising activities;
 - 2.5 Funds provided by School Community Councils;
 - 2.6 Grants from third parties; and
 - 2.7 Donations to schools from outside parties received in accordance with Administrative Procedures 525 Advertising, Corporate Sponsorship and Partnerships and Administrative Procedures 526 Charitable Donations.
3. Fundraising
 - 3.1 For information regarding fundraising refer to Administrative Procedures 520 Fundraising.
4. Grants and Donations

- 4.1 Schools are not legal fiscal entities and, therefore, cannot enter into legally binding agreements in order to access grant monies and cannot issue tax receipts.
 - 4.2 Management of tax-receiptable donations shall be done in accordance with Administrative Procedures 526 Charitable Donations.
 - 4.3 Donations received by the Division on behalf of a school and/or program will be held in trust until direction from the Principal regarding the school or program is received.
 - 4.4 The Division reserves the right to refuse any donation or grant if it or the conditions attached to it are not deemed to be in the best interests of the Division.
5. Monitoring of School-Generated Funds
- 5.1 All transactions shall be recorded on the software provided to schools for that purpose. Deposits and withdrawals shall be posted as they occur. Multiple activities can be managed through a single bank account.
 - 5.2 All revenues collected shall be adequately protected and controlled through proper accounting procedures.
 - 5.3 All expenditures charged to school-generated funds shall include the full cost of delivering the program or activity.
 - 5.4 School-generated fund surpluses shall be maintained in a manner clearly identifying the school to which the surplus applies.
 - 5.5 Inclusion of school-generated funds in the Division budget shall be done in a manner that ensures the revenues apply only to school-generated fund expenditures and are not applied to operating fund expenditures.
 - 5.6 It is recommended that schools limit the number of bank accounts as follows:
 - 5.6.1 School office administration;
 - 5.6.2 SLC or SRC (which shall include the following funds – Football, Drama, etc);
 - 5.6.3 Where circumstances warrant, a separate account if the school is hosting a provincial or national conference.
 - 5.7 Each school bank account shall be reconciled, and a copy of the bank statement shall be forwarded to the Business Manager each month.
 - 5.8 Principals are responsible for ensuring that school-generated funds are managed in accordance with federal, provincial and municipal legislation and in accordance with Board policies and Division administrative procedures.
 - 5.9 Where school-generated funds are used to purchase materials and supplies that are to be purchased through the school-level budget, the school-level budget shall reimburse the school-generated fund account using Form 511-1 Expense Claim for Payment from School Generated Funds submitted to the Business Manager.
 - 5.10 School-generated funds shall not be used:
 - 5.10.1 To provide salary or expense reimbursement for any Division employees, including casual employees; or
 - 5.10.2 To cover student or program expenses, except in accordance with Administrative Procedures 505 School Fees.
 - 5.10.3 To cover any personal paid expenses for employees/staff.
 - 5.11 When a tangible capital item such as furniture, equipment, computer hardware and software, etc., with a value of three thousand (\$1,000) dollars or more is being purchased

with school-generated funds, payment for the item must be made through the Division Office to ensure that the item is recorded properly for insurance and amortization purposes.

- 5.11.1 The invoice shall be submitted to the Business Manager with a request that it be paid by the Division and a commitment to cover the cost out of school-generated funds.
- 5.11.2 The Business Manager shall calculate the reimbursement amount less the GST rebate and shall advise the Principal of the amount owing.
- 5.11.3 The Principal shall forward payment from the school-generated funds to the Business Manager in a timely manner.

6. Accounting Best Practices

- 6.1 Administrative Procedures 511 Management of School-Generated Funds – Appendix A – Accounting Best Practices for school generated fund.

7. Goods and Services Tax (GST) Rebate

- 7.1 Administrative Procedures 511 Management of School-Generated Funds – Appendix B – Goods and Services Tax (GST) Rebate explains the GST process.

Administrative Procedures 511 - Appendix A

Accounting Best Practices



Adopted: June 28, 2011

Amended: August 10, 2020

External References

- Education Act: Sections 85, 87, 286
- Public Accounts Regulations
- Public Sector Accounting Board (PSAB) Handbook
- Generally Accepted Accounting Practices (GAAP)

Internal References

The Division believes that the management of public funds is of the utmost importance and that all such funds must be part of the Division audit. Public funds are any funds associated with school and Division operations.

Accounting Best Practices ensures that you never place yourself in a position of question or jeopardy over public funds.

School Level Accounting Best Practices

Best practices are recommended for dealing with school based accounts, School Community Council operations, Band Parent Association operations and other organizations directly affiliated with school operations.

The following procedures are required at the school level for all accounts that exist to support school and student activities. These Best Practices are intended to support personnel within the Division.

1. Principals shall ensure that financial records regarding the acquisition of funds by the school in general and by any and all groups under his/her supervision are maintained in such a manner that schools will be in a position to reply to appropriate inquiries. This includes Student Leadership Council (SLC)/Student Representative Council (SRC) accounts, Band Parents and others regarding the expenditure of and/or acquisition of funds.
2. All monies collected in the school setting for any student activity or school related activity shall be conducted, controlled and deposited via a centralized school accounting system and shall be subject to an annual audit as per legislation.
3. Two (2) numerators are recommended for tabulation of cash situations.
4. Receipts will be issued for all monies collected.
5. A copy of the bank statement of each school account shall be submitted to the Business Supervisor on a monthly basis with the Bank Reconciliation Report for the same month attached.
6. The Principal or designate shall be responsible for depositing funds within the school setting. While a staff member may be designated for such action, the maintenance of accounts is under the direct supervision of the Principal.
7. Two (2) signing authorities are necessary for all school accounts, one (1) of which must be an employee of the school system.
8. All funds are to be paid out by cheques signed by the authorized signing authorities of the school, with two (2) signing authorities being necessary for all payments. All withdrawals of funds from this account shall be in the form of a school cheque.

9. Each group (SLC/SRC, Band, Football or other sports), which raises funds for its activities and/or to acquire specific items shall be governed by the preceding points and the following:
 - 9.1 Receipts recorded in numerical sequence shall be given for all monies received.
 - 9.2 All funds received shall be deposited in a financial institution account on a daily basis and at no time are funds to be stored in the school overnight unless there is a school safe in a secured area.
 - 9.3 All payments made from this fund shall be supported by cheques and recorded in numerical sequence.
 - 9.4 All money raised during a fund raising project shall be for the sole purpose of the advertised project.
 - 9.5 All transactions shall be recorded weekly on the centralized account system.

Administrative Procedures 511 - Appendix B Goods and Services Tax (GST) Rebate



Adopted: June 28, 2011

Amended: August 10, 2020

External References

- Education Act: Sections 85, 87, 175
- Public Accounts Regulations

Internal References

- Form 511-2 Goods and Services Tax (GST) Rebate

1. Principals will submit the following information to request their Goods and Services Tax (GST) rebate for their school accounts:
 - Vendor Name;
 - Amount of Invoice;
 - Amount of Invoice that GST is charged;
 - GST amount;
 - GST rebate amount.
2. Principals may use Form 511-2 Goods and Services Tax (GST) Rebate or supply the same information from the accounting program.
3. The request will be forwarded to the Business department, where it will be processed. Providing all information is received, a cheque will be forward to the designated school account.
4. Copies of all information will be kept for audit purposes.
 - 4.1 Accounts to be included:
 - School-based accounts.
 - School Leadership Council (SLC)/Student Representative Council (SRC)
 - Drama.
 - Yearbook.
5. Claims may be submitted twice a year (June and January).
6. If a School or School Community Council, or another agency purchases a large item for the school, the invoice is to be submitted to the Division Office for payment. This process will ensure the item is added to the Division insurance and the appraisal list.