

## Administrative Procedure 511 - School Funds Accounting

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### Background

The Division believes in sound financial controls and expects that funds received and/or disbursed by any agent of the school system will be accounted for carefully and accurately.

Accounts in schools must be maintained in such a manner that they are easily reviewed and audited. Principals must use the Division approved accounting package. Principals are charged with the responsibility for ensuring that all school accounts are kept in accordance with the Division's principles, policies and procedures.

Fees charged under section 57 of the *Education Act* are not school-generated funds, nor does registered society revenue fall under the definition of school generated funds.

### Definition

*School generated funds* are defined as funds raised in the community that come under the control and responsibility of the Principal and are for specific student purposes and activities. These funds are usually collected and retained at the school for expenditures paid at the school level, e.g. fees for extracurricular activities, fundraising, yearbook sales, graduation fees, field trip fees, Student Union sponsored activities, etc.

### Procedures

1. Accounting for School Generated Funds
  - 1.1 Funds received through donations (including scholarships) that require charitable donation receipts and financial grants must be processed through the Division's financial system.
  - 1.2 School Generated Funds (SGF) are only to be considered for specific purposes and must be used only for the purpose for which they were raised. Secondary uses are to be designated at the outset of the fund-raising program to be applicable in the event that the funds raised may exceed requirements.
  - 1.3 No Division employee involved in the generation of SGFs shall be in a position to benefit financially from the activity.
  - 1.4 Accountability for all school-based funds resides with the Principal, who may delegate responsibility to specific staff under his/her direction.
  - 1.5 Each Principal shall establish a current chequing account. The SGF bank account must be registered in the name of the Division with the school listed as a secondary name on the account. The account shall have the Division Office as the mailing address. The Principal, the Secretary Treasurer and up to two other Division-employed people shall

have signing authorization on the account. The Secretary Treasurer's approval is required for the designation of all signing authorities on the Division accounts.

1.5.1 The Principal may also have the funds held centrally in the Division's financial systems.

1.6 The accrual account method must be used for school-generated funds. The fiscal year shall be July 1 through June 30.

## 2. Funds Received by the School

2.1 The Secretary-Treasurer shall develop procedures for the handling, receipt, security and banking of all monies received at the school sites.

2.2 Funds received by the school:

2.2.1 Principals are charged with the responsibility of ensuring that all school funds are handled with good and prudent business procedures.

2.2.2 All money collected shall be receipted, recorded, accounted for, and directed as soon as possible to the proper location of deposit.

2.2.3 Printed, pre-numbered receipts obtainable from the Director of Financial Services or receipts printed out of the SGF accounting software shall be used for all funds.

2.3 The Principal shall provide for making bank deposits as frequently as possible and is to avoid leaving money in school overnight, with the exception of the Petty Cash fund.

2.3.1 During School Hours:

2.3.1.1 Cash shall be kept in a cash register or lockable cash box, and access must be restricted to individuals designated by the Principal.

2.3.1.2 Cash boxes shall be kept locked and out of sight in a secure place when not in visual custody of the person responsible for the money.

2.3.2 After Normal School Hours:

2.3.2.1 Cash remaining in the school shall be locked in a safe or cabinet or in a secured location within the school.

2.3.2.2 Cash shall not be taken home by staff members.

2.3.2.3 All money collected for school purposes shall be counted, recorded, and turned over to the school office personnel so that a formal record of all funds received can be prepared. In this way, any differences between totals can be resolved immediately. When cash is counted, there will be two people present, with a cash count sheet being signed and the deposit slip being completed at the same time.

2.3.2.4 All money collected by school personnel while in the school or in transit to the bank for deposit, is insured against theft subject to a deductible. This means the school account would absorb any loss of cash up to the deductible amount. Losses beyond the deductible due to theft shall be reimbursed upon application to the Division and proper documentation of the circumstances of the theft. This normally requires a police report.

- 2.4 Under no circumstances is money to be left in employees' desks.
3. Disbursements from School Generated Funds
- 3.1 All payments, refunds, etc., shall be made by cheque or through the SGF accounting software if payments were originally made online. An exception is a properly kept Petty Cash fund.
- 3.2 Supporting invoices, vouchers, receipts, etc., shall be obtained for all disbursements. Vouchers shall be cancelled, cheque number indicated thereon, and be filed by cheque number in a proper file.
- 3.3 All cheques shall require the signature of two (2) people. One (1) of them shall be the Principal. The other signature shall be
- 3.3.1 The Vice-Principal, or
- 3.3.2 Other designated Division-employed people, or
- 3.3.3 Secretary Treasurer.
- 3.4 The Secretary-Treasurer shall be a signatory on all SGF banking accounts.
- 3.5 Signing authorities are not to be the same as the person responsible for accounting for SGF at the school site.
- 3.6 All materials and equipment purchased for schools out of SGF shall become the property of the Division.
4. Assurance and Reporting of School Generated Funds
- 4.1 All events and activities involving funds shall be recorded using the Division's approved accounting system. A final report (financial statement) shall be prepared each month for each fund showing the purpose of each sub-account and the final disposition of any surplus/deficit.
- 4.2 A monthly bank reconciliation, approved by the Principal, shall be prepared for the bank account with a copy kept on file at the school with a copy sent to the Director of Financial Services for review before the 15th of each month.
- 4.3 Principals must provide detailed analysis to the Secretary-Treasurer of all surplus SGF, including details of the specific purposes that the SGF will be used for, annually or as requested. In general, SGF surpluses are to be kept to a minimum amount required for cash flow. SGF are to be used only for the purpose they were intended.
- 4.4 Quarterly GST reports shall be submitted to the Director of Financial Services no later than the 15th of the month after each quarter.
- 4.5 The school accounts will be audited on at least a two-year rotational basis; however, the Secretary-Treasurer can request an audit of the school accounts on a more frequent basis. The results of these reviews shall be communicated to the Audit Committee, the external auditor and the Principal.

- 4.6 When a Principal, school administrative assistant, or the school accountant/bookkeeper leaves a school, the school accounts will be audited at the end of the school year the staff member leaves.
  - 4.7 The Superintendent or Secretary-Treasurer has the right to ask for an audit of any school's accounts at any time.
  - 4.8 Failure to adhere to this Administrative Procedure may result in removal of SGF privileges at the site.
  - 4.9 Personal use by staff, students or other individuals of any money from SGF is strictly prohibited and may include disciplinary actions up to and including termination of employment.
  - 4.10 In-service for staff on any of the above procedures, including software use, is available on request through the Secretary-Treasurer or Director of Financial Services.
5. Student Union Funds
- 5.1 Student Union/Council funds, by definition, are SGF and are the monies, including fees, which are raised by the Student Governing group at a school for the purpose of financing their school-based activities.
  - 5.2 Major items of expenditure shall be presented to the student body for approval.
  - 5.3 The Student Union/Council, in consultation with the Principal, is to ensure that the expenditure of these monies will benefit the majority of the student body rather than a limited number of students.

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Reference: Section 33, 52, 53, 55, 57, 68, 137, 138, 139, 140, 141, 143, 197, 222 Education Act  
Societies Act  
Funding Manual for School Authorities  
Guide to Education ECS to Grade 12

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