

ADMINISTRATIVE GUIDELINE

Title: Accounting for Non-Board School-Based Funds

Effective Date: November 1, 2002 Responsibility: Superintendent of Business

1.0 Rationale

School generated funds represent an increasing percentage of annual revenues for each school. Changing attitudes in society require public officials to be increasingly accountable for all types of public funds. With changes in government funding, schools rely increasingly on community fund raising to sustain some level of supplementary funding. The result is significant growth in the revenues managed at school levels. Fund raisers need timely reporting and financial statements, and systems to ensure reliable tracking of revenues and expenditures. “Shoebox” accounting for school-based funds is no longer an option.

It is probably interesting to note that many Canadian school boards have not yet articulated and/or adopted guidelines with regard to school-based funds. There will be an increasing demand for this to change, as the amounts of money involved increase and as people ask increasingly more

2.0 Introduction

Non-Board School Based Funds are those funds raised or collected through school or parent
admission fees, dues, or other charges (including but not limited to) for the purpose of providing

3.0 Objectives and Purpose

The objective of this document is to provide guidelines on fundraising, as well as standard administrative procedures to assist the schools on the administering, recording and reporting of the various types of funds and expenditures flowing through the non-board school fund accounts.

3.1 Guidelines on Non-Board School Based Fundraising should define:

as parent administered non-board funds if the parents have sole signing authority. These groups are independent and maintain their own bank accounts. In some cases the council may give the money directly to the school to administer.

4.2.2 School Administered Fundraising Groups:

School fundraising is a local school activity, and the goals of the fundraising should go beyond money to reflect the creative and collaborative efforts of parents, students, teachers and the community. The underlying belief is that it is not the responsibility of parents or school communities to raise funds for basic educational requirements but rather that school communities may raise funds to enhance program and support school initiatives.

4.4 Sources of Non-Board School Based Fundraising:

The following are some of the more common and approved sources for fundraising currently used by various school fundraising groups:

4.4.1 Fundraising activities:

- 4.4.1.1 Pizza days
- 4.4.1.2 Dress down days
- 4.4.1.3 School plays and concerts
- 4.4.1.4 School dances
- 4.4.1.5 Juice and milk sales
- 4.4.1.6 Non text book sales
- 4.4.1.7 Special school luncheons
- 4.4.1.8 Approved fundraising product sales (e.g. cookies, cheese, chocolate bars, fruit, etc)
- 4.4.1.9 Bingos and sale of Nevada tickets
- 4.4.1.10 Other activities

For fundraising activit

4.4.3.3

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- 2.1.5 checked, the bank statement shall be given to the person responsible for preparing the monthly bank reconciliation.
- 2.1.6 The various sources of funds included in a single chequing account should be identified as separate categories (accounts) in the accounting records. (e.g. student activity fees, field trips, etc.).
- 2.1.7 A monthly bank reconciliation should be prepared by the fund administrator or designate and approved by the principal.
- 2.1.8 All school bank agreements must indicate that a minimum of two signing authorities is required for a cheque to be cleared through the bank. Therefore, all cheques require at least two signing authorities, one of whom must be the principal or vice principal. The format requiring any two of three identified signers is the most flexible arrangement.
- 2.1.9 No blank cheques are to be signed. All signing officers have a fiduciary responsibility to ensure payments are supported with the appropriate documentation prior to signature.
- 2.1.10 Surplus funds not immediately required may be invested in suitable interest bearing investments under the name of the school and controlled through the principal. These interest-bearing investments shall be for no longer than one year and should only be invested in non-risk investments such as Canada Savings Bonds, short-term guaranteed investment certificates and term deposits.
- 2.1.11 A surplus of funds shall be deposited in a separate bank account for the school.

2.3 Banking and Accounting Guidelines:

2.3.1 Bank Account:

2.3.1.1 It is recommended that all school administered non-board school

2.3.3 Bookkeeping System:

2.3.3.1 General:

- 2.3.3.1.1 The bookkeeping system should ensure that all cash receipts and expenditures are recorded and allocated to specific non-board school fund ledger accounts.
- 2.3.3.1.2 A basic accounting package is recommended for use by all schools for the recording of transactions and balances. Such a package provides for automatic balancing, reporting and bank reconciliation.
- 2.3.3.1.3 The principal should review the status of the non-board school based funds on a regular basis.
- 2.3.3.1.4 The principal should ensure that the guidelines related to the segregation of duties are implemented with consideration of available resources.
- 2.3.3.1.5 The principal should ensure that the annual financial statements for submission to the Finance department are prepared, reviewed and submitted on a timely basis. The principal is responsible for signing off/approving the financial statements prior to submitting to the Finance department.
- 2.3.3.1.6 Staff assigned to the bookkeeping function for the non-board funds should receive training.

2.3.3.2 Disbursements:

- 2.3.3.2.1 All expenditures should be supported by original receipt approved by the principal. This supporting documentation verifies that the expenditures are approved prior to the issuance of a cheque or cash.
- 2.3.3.2.2 A cash advance (a cheque issued in advance of an expenditure submitted for payment) must be authorized and approved by the principal prior to the disbursement. Subsequently, a copy of the original receipt supporting the advance is to be provided to the principal with any excess funds greater than the advance deposited back into the bank account. It is recommended that cash advances are discouraged.
- 2.3.3.2.3 No payments should be made without proper supporting documentation.
- 2.3.3.2.4 Cheques should be pre-numbered and purchased in sufficient quantity to preclude duplicate cheque numbers in a current year.
- 2.3.3.2.5 The cheque number that is issued for a payment should be noted on supporting documentation.
- 2.3.3.2.6 Unused cheques should be controlled by one person and stored in a locked cabinet or desk.
- 2.3.3.2.7 The cheques should be prepared by one individual to ensure that all payments are recorded and that adequate

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2.3.3.4 Month End Guidelines:

- 2.3.3.4.1 A bank reconciliation should be performed monthly by the fund administrator or designate and reviewed and signed off by the principal.
- 2.3.3.4.2 Before authorizing, the principal shall check the previous statement ending balance and current month's statement opening balance, the balance on the bank



Excerpt from Regulation 612 for School Councils

Fundraising

22. (1) Subject to subsection (2), a school council may engage in fundraising activities. O. Reg. 612/00, s. 22 (1).
- (2) A school council shall not engage in fundraising activities unless,
- (a) the activities are conducted in accordance with any applicable policies established by the board; and
 - (b) the activities are to raise funds for the purpose approved by the board or authorized by any applicable policies established by the board. O. Reg 612/00, s 22 (2).
- (3) A school council shall ensure that the funds raised by it are used in accordance with any applicable policies established by the board. O. Reg. 612/00, s. 22 (3).

Consultation with Parents

23. A school council shall consult with parents of pupils enrolled in the school about matters under consideration by the council. O. Reg. 612/00, s. 23.

Annual Report

24. (1) Every school council shall annually submit a written report on its activ()11(its)14(a)5(n)5()11(ite w)7(i)-Tr