



*The Public Schools Act*, subsection 56(4), defines school funds as the monies that the Principal of each school, subject to the rules of the Board may raise, hold, administer, and expend for purposes of the school.

School Funds are comprised of two types of funds as follows:

#### Type A Funds

One type of school funds includes monies from all fund raising activities of the school, such as walk-a-thons, bike-a-thons, selling candies etc. door to door, dances, hot dog days, school pictures, bottle drives, car washes, raffles, auctions, etc. As these monies are raised by the school, or under the auspices of the school, for the sole use of that school, they are not included in the School Division's financial statements. These funds include funds from cafeterias and vending machines that are operated by or contracted out by the school.

#### Type B Funds

A second type of school fund includes allocations from the School Division (budget allocation), vocational revenues, and revenues from cafeterias and vending machines, etc. that are operated by or contracted out by the School Division. These funds are included in the School Division's financial statement.

*The Public School's Act*, subsection 56 (5), states that student council funds are not included in school funds. Student council funds should, therefore, be accounted for and held separately from school funds.

### **SCHOOL FUNDS – ACCOUNTING**

#### **Responsibility**

The Principal is responsible for all school funds.

#### **Bank Accounts**

- a) The bank accounts should be an interest-bearing chequing account, when possible.
- b) Accounts must require two signatures on all cheques, one being the Principal or Vice-Principal/President's and the second being either the school secretary or other appropriate member in the absence of the school secretary.
- c) All school funds, except for Student Council funds, must be maintained in one bank account for that school.
- d) Student Council is encouraged to follow these guidelines for the operation of the Student Council account.

#### **Receipts**

- a) Duplicate numbered receipts should be issued for monies received.
- b) The original should be given to the payer and second copy retained in the receipt book.
- c) When a significant number of students are required to pay for a specific activity (eg. Chocolate bar sales, hot dog day, etc.) a "Master Receipt" may be used for the group.
- d) For events where cash collections are received, monies should be counted by two individuals and forwarded to the Treasurer, who will issue a receipt.



- e) All receipts of funds are to be recorded in the financial records.

### **Deposit of Funds**

Monies should be deposited on the day they are received. When this is impossible or impractical, funds are to be safeguarded by the Principal or Treasurer until the earliest time a deposit can be made.

In making a deposit the Treasurer will:

- a) verify the deposit agrees with the total of receipts issued since the previous deposit;
- b) note the date and deposit amount on the last receipt covered by the deposit;
- c) prepare a bank deposit slip in duplicate;
- d) submit the deposit to the bank, which will retain the original copy of the deposit slip and will validate and return the duplicate for the Treasurer's files;
- e) enter the deposit date and amount in the financial records.

### **Disbursements**

- a) All disbursements must be made by cheque, numbered and issued sequentially.
- b) All cheques must have two signatures. The signing of blank cheques, or use of a signature stamp, is prohibited.
- c) All cheque disbursements must be supported by invoices, vouchers and/or purchase orders approved for payment by the Principal/Vice-Principal/President or their designate.
- d) All invoices/vouchers should be checked for numerical accuracy, be marked or stamped "PAID", and have the date paid, cheque number, and the approving signatures recorded on the invoice.
- e) Cheque books should be updated when a cheque is written, recording date, payee, amount, and running bank balance.
- f) Each cheque disbursement is to be recorded in the financial records in cheque number order.
- g) All invoices and/or requisitions should be kept and filed in numerical cheque number order.
- h) Prepaid items or expense advances should be limited to unusual circumstances, and such items should be filed separately until an invoice or other appropriate document is obtained.
- i) Making cheques payable to "CASH" is prohibited.
- j) Miscellaneous items such as interest expense or income, etc. that appear on the bank statement should be recorded in the financial records on a monthly basis.

### **Financial Reporting**

- a) The bank statement should be reconciled with the financial records and the cheque book balance on a monthly basis, when received. The Treasurer should sign the reconciliation form and forward it to the Principal who should retain a copy for his/her files. The original should be returned to the Treasurer.



- b) A summary of cash receipts and disbursements should be prepared monthly and a copy provided to the School Principal for review and filing. Where this is excessive due to very few transactions, a Principal may increase the time period of these reports.
- c) As of June 30 each year, the school fund accounts will be closed for the current fiscal period. The Treasurer will prepare a Cash Receipts and Disbursements Statement for the year showing: a) the opening bank balance (July 1); b) the total receipts for the year, and d) closing bank balance (June 30).
- d) A copy of Cash Receipts and Disbursements Report for the fiscal year, signed and dated by the Principal and the audit/review committee, will be forwarded to the Secretary Treasurer's Department along with a copy of the June 30 bank reconciliation.

**Other**

- a) At no time shall a Principal permit an overdraft in any school funds bank account unless there has been a specific, clearly identified plan for removing same. Such a plan shall be made in writing by the Principal and submitted to the Secretary -Treasurer for approval, prior to the deficit being incurred.
- b) Purchase of items by the school's fund account for individual staff members is not permitted.
- c) Payment of mileage and personal expenses is not permitted.
- d) The school account should be independently audited each year by someone who is not a member of the school staff.