ADMINISTRATION OF SCHOOL FUNDS

Background

The activities of schools often involve the collection and management of funds, both retained at the site and/or remitted to Division Office. Ensuring these funds are appropriately accounted for is an important responsibility of the Division.

The Secretary-Treasurer will implement a program of internal and external audits to ensure that generally accepted standards of accounting practice have been applied to the management of all funds collected by schools.

Definitions

School Generated Funds are funds collected by the school that fall into two (2) main categories:

Remitted Funds – funds collected at the school and forwarded to Division Office to cover expenditures, which are charged against the school budget and accounted for centrally (e.g. textbook rentals, registrations, etc.)

Retained Funds – funds collected for specific purposes or activities. These funds are retained at the school and expenditures for these activities are paid for by the school and charged against the revenues in the school's accounts. These funds include:

- Funds collected as voluntary fees where costs are paid out of funds collected and retained at school. For example: student union fees, club activity fees, yearbook sales, lock sales, t-shirt sales, graduation fees, field trip fees, kindergarten fees and other similar items.
- Funds, including gifts and donations, raised by means of an activity or appeal to the public for a specified education purpose.
- Funds held in trust and administered by the school for a school parent and/or community group.
- Funds raised from investments, commissions and vending machines. For example: term deposit interest earned, bank current account interest and commissions received.
- Funds raised in school by the sale of goods and services when costs are paid by the school out of retained funds. For example, book sales, canteen, hot lunch programs or other customer services.

Procedures

1. The Principal shall provide for the proper security of funds.

2. The Principal is responsible for the administration of all school-generated funds. All transactions must be recorded in the accounting ledgers of the school.

3. The Secretary-Treasurer shall establish a program of internal and external audits in which a sample of schools will be audited each year.

4. Any accounting anomalies and/or school-based financial irregularities identified as part of an internal/external audit shall be reported to the Superintendent who shall ensure that the anomalies are remedied and if the situation is grave enough, report same to the Board.

5. Prior to the collection of funds by means of a voluntary per-student fee, Principals shall ensure that students and their parents are informed of the optional nature of such fees.

6. All retained funds raised, held in trust for a school parent and community group, or donated for a specific purpose shall be used only for that purpose unless mutually agreed by the Principal and the fund-raising group or donor.

7. The charitable collection of funds from individual students and staff on school premises shall be at the discretion of the Principal in consultation with School Council.

8. Parent Advisory Council or community groups raising funds to donate to the school shall retain all responsibility for financial accounting and reporting, and any attendant liability for its activities until the funds are accepted by the school. Acceptance of funds by the school shall be by way of a receipt issued by the school secretary.

9. Groups choosing to administer their funds independently are encouraged to register under the Societies Act, which has prescribed reporting requirements. If a school, parent or community group intends to raise funds for the school through games of chance regulated by the Alberta Gaming Commission, the group or subcommittee thereof, is required to be incorporated under the Societies Act for licensing purposes.

10. The Principal and staff shall not have signing authority or financial responsibility for the group's accounts.

11. Assistance in establishing budgets, proper accounting records and the maintenance thereof will be provided by the Secretary-Treasurer's office as required.

12. The annual financial report for the school year, September 1 to August 31, will be submitted to the Secretary-Treasurer by the following September 20.

13. Schools are to provide the Secretary-Treasurer's office with a monthly bank reconciliation and trial balance within fifteen (15) days of each month end.

14. An internal auditor may visit schools periodically to review the accounting records and procedures. Principals are encouraged to contact the Secretary-Treasurer at any time to request an audit of the school accounts.

15. Cheques must be signed by any two (2) of the following, as determined by school policy:

    1.1 Principal.

    1.2 Vice- Principal.

    1.3 Administrative Secretary.

Reference: Section 20, 22, 60, 61, 113, 116, 146, 147, 148, 149, 150, 151, 152 School Act
School Authority Accountability Policy 2.1.1
School Authority Financial Accountability and Audits Policy 2.1.6
Alberta Education: Guidelines for the 2006-2007 School Jurisdiction Audited Financial Statements and Unaudited Schedules
Institute of Chartered Accountants of Alberta, Supplementary Report of Task Force on School Board Reporting in Alberta, June 1997
Societies Act of Alberta