

ACCOUNTING OF SCHOOL GENERATED FUNDS

Background

The Division recognizes it is responsible for all monies handled by its employees or agents in their day-to-day duties.

The Division requires that generally accepted standards of accounting practice in accordance with *Public Sector Accounting Standards* be applied to the management of all funds collected by schools.

Definition

School-generated funds: Non-instructional funds raised in the community by activities that come under the control and responsibility of school management (usually viewed to be the principal and those reporting to the principal).

Procedures

1. Schools will keep records of all funds/fees collected at the school level as well as records of the expenditure of these funds.
 - 1.1 Assistance in establishing budgets, proper accounting records and the maintenance thereof will be provided by the Secretary-Treasurer's office as required.
2. Schools will submit their financial records to the Secretary-Treasurer for annual audit.
 - 2.1 An annual financial report for the school year, September 1 to August 31, will be submitted to the Secretary-Treasurer by the end of September following.
 - 2.2 An auditor shall 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.
- 3 All monies collected by the school for a designated purpose must be used only for the purpose so designated. In cases where residual funds exist, the principal shall designate these funds to a similar or related activity.
- 4 All undesignated monies collected by the school are to be classified as general revenue and may be spent in a manner determined by the principal in consultation with staff and the School Council.

- 5 General revenue funds may be designated for a specific purpose by the principal in consultation with staff and the School Council. Funds so designated are subject to the considerations of procedure 2 above.
- 6 Temporary cash surpluses arising during the year may be invested for short periods in saving accounts and/or guaranteed term deposits. Interest earned is to be classified as general revenue.
- 7 A school may be permitted to enter into loans or time payment plans with the Division, subject to annual budget approvals.
- 8 The principal must approve use of the school name for fund-raising purposes.
- 9 Funds are normally to be collected and expended during a school year. The principal may establish reserves in conjunction with the Secretary-Treasurer for the purpose of purchasing capital equipment.
- 10 Principals shall provide for the proper security of funds.
- 11 The principal is responsible for the administration of all school-collected funds. All transactions must be recorded.

Reference: Section 20, 60, 61, 113, 116, 147, 149, School Act