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## SCHOOL GENERATED FUNDS

### 1. Background and Purpose

- 1.1. The Division recognizes it is responsible for all monies handled by its employees or agents in their day-to-day duties.
- 1.2. The purpose of this procedure is to establish guidance for schools to assist them in meeting their responsibility for the management of and accountability for school generated funds.
- 1.3. All fees are subject to the Education Act and regulation.

### 2. Definition

- 2.1. School generated funds is defined as funds:
  - 2.1.1. raised in the community that come under the control and responsibility of the school principal,
  - 2.1.2. used for student activities, and
  - 2.1.3. collected and retained at the school for expenditures paid at the school level, such as yearbook sales, graduation fees, non-curricular activities or field trip fees, vending machines and concession sales.
  - 2.1.4. but does not include fees which are not retained at the school level and, therefore, are not considered school generated funds.

### 3. Role of the Principal or Designate

- 3.1. The principal or designate is responsible for the collection, retention and/or expenditure of school generated funds at the school level.
- 3.2. The principal or designate must ensure that there are adequate controls, financial and otherwise, to safeguard assets and to ensure the accuracy and reliability of the accounting records for school generated funds. This includes, but is not limited to, ensuring that:
  - 3.2.1. The records are kept using the Division's approved accounting software used only on computers at the school which are part of the approved architecture; and
  - 3.2.2. Security measures such as vault or safe combinations and computer passwords are recorded and controlled according to STAR Catholic School Division IT policies.
- 3.3. The principal or designate is responsible for approving the activities that result in the school charging fees or fundraising.
- 3.4. The principal or designate is responsible for approving the proposed use of all school generated funds including funds donated by school councils and community groups.

#### **4. Role of the Secretary Treasurer**

##### **4.1. The Secretary-Treasurer or designate shall**

- 4.1.1. Provide schools with accounting software and a standardized chart of accounts that must be used by all schools,
- 4.1.2. Establish procedures for the processing and recording of school generated funds; and
- 4.1.3. Perform or ensure internal audits are carried out on a regular schedule as determined by the Finance Department to review the accounting records and process using audit procedures that are consistent with and meet the external audit requirements.

#### **5. Procedures on Revenues**

- 5.1. The principal or designate must ensure that all monies received at the school level, except for donations in accordance with section 6, must
  - 5.1.1. Be receipted in the accounting software (e.g. School Cash) or in two-part, pre-numbered receipt book,
  - 5.1.2. The original of the receipt or computer generated shall be given to the customer.
- 5.2. All receipts must be properly recorded in the accounting records of the school.
- 5.3. Where cash or cheques are retained in the school overnight, they must be stored in a secure and safe location. Cash more than \$500 must be banked within the next 2 business days. Receipt of cash from parents/students should be minimized.
- 5.4. Where monies received by the school are for a specific purpose, they must be:
  - 5.4.1. Recorded in the revenue account consistent with the stated purpose, and
  - 5.4.2. Spent for the stated purpose.
- 5.5. If, for any reason, funds cannot be spent for the stated purpose, either in whole or in part, they may be spent for another purpose, as long as the alternative use was communicated and agreed to at the point of collecting the funds from the providers of the funds.
- 5.6. All monies must be deposited intact, in a timely fashion, into the school/division operated bank account.
- 5.7. Receipts that are subsequently voided must remain in the receipt book and be clearly marked as "VOID".
- 5.8. Receipt books are source documents for the accounting records and must be retained, in accordance with records management procedures – AP 185, for a period of seven years.
- 5.9. All revenues must be recorded in the appropriate accounts consistent with the chart of accounts and guidelines.
- 5.10. Except under special circumstances, a school should only accept and receipt amounts that are to be part of the school funds when asked by school councils or Parents Societies.

Where there are special circumstances, they should be clearly documented and approved by the principal.

## **6. Procedures for Expenditures**

- 6.1. The expenditures of school generated funds must be consistent with the purpose for which they were received, such as graduation, celebrations, off-site activities or the general school fees.
- 6.2. If the school generated funds were generated for general purposes, such as net revenues from a vending machine/concessions or a school store, expenditures must be approved by the principal and must benefit students.
- 6.3. All expenditures from school generated funds must be supported by an itemized invoice or receipt which contains the following information:
  - 6.3.1. the date of the transaction,
  - 6.3.2. the amount before GST, the GST and the total amount,
  - 6.3.3. if for taxable supplies, the supplier or vendor's GST Registration Number,
  - 6.3.4. the vendor's or supplier's name and address, and
  - 6.3.5. a list of goods purchased or services provided, ideally with the price of each of the good(s) or service(s) indicated.
- 6.4. All purchases using school generated funds must be made in compliance with AP 515 - Purchasing.
- 6.5. Payment from school generated funds must be made by bank transfer or cheques issued on a division bank account established in accordance with AP 108 – Signing Authority and Control, or as otherwise authorized by the Secretary-Treasurer or designate.
- 6.6. All expenditures of school generated funds must be recorded in the appropriate accounts consistent with the chart of accounts and guidelines.
- 6.7. Where a cheque is voided for any reason, that cheque must be clearly marked "VOID" and retained as an accounting record.
- 6.8. Invoices, receipts, and cancelled cheques are source documents for the accounting records and must be retained, in accordance with the AP 185 on Records Management for a period of seven years.
- 6.9. Under no circumstances must blank cheques or purchase requisitions be pre-signed, unless approved by the Secretary Treasurer.
- 6.10. The principal or their designate must ensure that cheques are only issued to the school council or parent societies to transfer amounts received under circumstances described in Section 5(10) of this administrative procedure.

## **7. Qualifying Donations**

- 7.1. Where a school receives a qualifying donation that requires the issuance of an official receipt for income tax purposes, in accordance with Board Policy 19 - Donations,
  - 7.1.1. the donation must be forwarded to the Division's Financial Services department, where an official receipt for income tax will be issued to the donor; and

- 7.2. the school may issue a written acknowledgement of the donation and inform the donor that an official receipt for income tax will follow.

## 8. Fee schedules

- 8.1. The school shall, prior to the commencement of each school year, establish a school fee schedule listing all school fees that may be charged by the school.
- 8.2. In establishing the fee schedule, the school will consult with parents prior to setting up or increasing the school fees and demonstrate the need to charge such fees.
- 8.3. The fee schedule shall be submitted to the Superintendent or Designate for approval and incorporation in the spring budget for the following school year.
- 8.4. The principal shall, prior to the commencement of the school year, publish the approved fee schedule on the school website or in any manner that provides parents and the public with notice of the fees.
- 8.5. No fees are to be levied until a School's Fee schedule is approved.

## 9. Collection of fees

- 9.1. For the collection of fees such as the field trip fee and general school fee, schools may use processes and methods that take into consideration staff workloads and past practice, but these processes and methods must involve the use of a class list or other student listing, and must include adequate and proper financial controls throughout.
- 9.2. The school may determine which list to use based on the collection process to be employed, such as a teacher collecting monies at the classroom level or school activity.
- 9.3. The funds so collected shall be submitted to the administrative assistant for safekeeping or banking, together with the collection sheets which shall be used to reconcile the amounts received.

## 10. Waiver of Fees

- 10.1. To support parents who encounter financial hardship, the Division, on the recommendation of the Principal, can reduce the fees.
- 10.2. Parents/guardians are to fill out **Form 505-4** and provide the required details to the Principal outlining their need for a fee reduction and the amount of reduction sought.
- 10.3. Upon receipt of the application, the principal is to respond to the parent in writing:
  - 10.3.1. The amount of the fee reduction and reason for any deviation from the requested amount; or
  - 10.3.2. The reason for refusing to waive the fees.
  - 10.3.3. A copy of the waiver response is to be sent to the Secretary Treasurer.

## **11. Funds raised by School Council and Community Groups**

### **11.1. School Council or Community Group**

- 11.1.1. The Council and Group raising funds to donate to the school shall retain all responsibility for financial accounting and reporting and any liabilities for its activities until the funds are accepted by the school.
- 11.1.2. The school principal and staff shall not have any signing authority who financial responsibility for the group's accounts.

### **11.2. School Administration of Funds Held in Trust**

- 11.2.1. The principal may authorize Groups, so requesting, to have their funds administered by the school
- 11.2.2. The funds shall be entered into the school's records and be accounted for separately.
- 11.2.3. The principal or designate shall provide the group with financial reports of the funds and a group representative may pre-authorize the disbursement of funds.

### **11.3. School Administration of Donated funds**

- 11.3.1. when a group donates funds to the school at that time the funds shall be entered into the school's records and be accounted for separately
- 11.3.2. if the funds are donated for a specified purpose the principal shall provide the donor with the financial reports of the funds, if required by the Group.
- 11.3.3. The funds shall be used for the purpose stipulated upon receiving the donation and consistent with Board Policy 19 - Charitable Donations.

Reference: Section 33,52,53,55,68,137,138,139,140,141,143,197,222 Education Act, Alberta School Fees Regulation 95/2019