

SCHOOL FUNDS

A. GENERAL

School funds are monies that the Principal of the school, subject to the rules of the School Board, may raise, hold, administer and expend for the purpose of the school.

All funds in a school should be accounted for in one bank account but in a larger school more than one bank account may be approved.

School funds are to be divided into three classifications:

1. Division Owned School Funds

These funds consist of monies that are owned by the School Division and form part in the School Division Financial Statement. These funds must be accounted for separately and the schools role is one of holder of the funds. Examples of these funds are sale of workbooks and supplies, photocopy and building and chair rental revenue, vocational, band and extracurricular transportation fees, driver education fees, **revenue from Home Economics or Industrial Arts fees or sales**, personal long distance telephone calls, etc.

2. School Fund Raising

These funds are used to promote the education and morale of students, to finance co-curricular activities of the student body and to provide additional supplies and equipment not available through the Division Budget. These fund raising activities are approved by the Principal. Examples of these activities are walk-a-thons, selling candies, dances, canteen sales, hot dog days, school pictures, car washes, raffles, drama club, band boosters, extracurricular user fees, etc.

3. Student Council Funds

These funds are those of the student council and could include fund raising activities as listed in "2" above as well as graduation, student membership fees and yearbook sales.

B. RESPONSIBILITY

The Principal is responsible for all School Funds. Proper accounting consists of:

1. Following prescribed procedures in collecting, receipting, depositing, recording, disbursing and reporting school funds.
2. Maintaining complete and accurate records for all receipts and disbursements.

Although responsible, the Principal may have any other staff physically undertake these duties acting as a Treasurer.

C. ACCOUNTING GUIDELINES

1. Bank Accounts

- a) Bank accounts should be a chequing account.
- b) Accounts should require two signatures on all cheques, one being the principal/vice-principal and the second being either another executive member/staff representative/student representative.
- c) Secretary-Treasurer is to be notified if a new bank account is established and advised of the purpose of the account.

2. Receipts

- a) Duplicate consecutively numbered receipts should be issued for monies received.
- b) The original should be given to the payer and a second copy retained in the receipt book.
- c) When a significant number of students are required to pay for a specific activity (ie. ticket or candy sales, hot dog day) a Master Receipt may be used for the group.
- d) For events where cash collections are received monies should be counted by the individual(s) and forwarded to the Treasurer/Principal who will issue a receipt. Where a larger amount of cash is received, the money should be counted by two individuals.
- e) All funds are to be recorded in the financial records.

3. Deposit of Funds

Monies should be deposited on the day they are received. When this is not practical, funds are to be safeguarded by the Principal or Treasurer.

In making a deposit the Treasurer will:

- a) Verify the deposit agrees with the total receipts issued.
- b) Note the date and deposit amount on the last receipt covered by the deposit.
- c) Prepare a bank deposit slip in duplicate.
- d) The School's copy of the deposit is to be validated by bank stamp.
- e) Deposits are to be entered in the financial records.

4. Disbursements

School funds are not used to purchase items for individual staff members, staff luncheons, etc. Disbursements are to benefit the school or student body. Disbursements for personal expenses that could be seen as a conflict of interest is prohibited.

- a) All disbursements must be made by cheque, numbered and issued sequentially. A two part duplicate cheque shall be used.
- b) All cheques must have two signatures. The signing of blank cheques is prohibited.
- c) All disbursements must be supported by invoices or approved vouchers.
- d) All invoices shall be checked for numeric accuracy.
- e) All invoices to be matched with duplicate cheque and filed in cheque number order.
- f) Each cheque disbursement is to be reordered in the financial records in cheque number order so that a running bank balance can be maintained.
- g) Prepaid items or expense advances should be limited to unusual circumstances. If an advance is issued, a proper invoice or approved voucher must be attached to the duplicate cheque subsequent to the event.
- h) Miscellaneous items such as interest expense, interest income or bank cheques is to be recorded in the financial records on a monthly basis.

5. Financial Reporting

- a) The bank statement shall be reconciled with the financial records and cheque book balance on a monthly basis when received. The Principal is to review the bank reconciliation, summary of receipts and summary of disbursements at this time. (See appendix No. 1 for Bank Reconciliation Form).
- b) The time period for the review of the above may be extended if there are few transactions but the bank reconciliation is required monthly.
- c) As of March 31st each year the school funds account(s) will be closed for the current fiscal period. In some instances, it may be beneficial to have the reporting year coincide with the school year (e.g. grad committee, drama etc.). The reporting period maybe changed for those accounts by contacting the Secretary-Treasurer. The Treasurer will prepare a Cash Receipts and Disbursements Statement for the year showing.

- The opening bank balance April 1st
- The total receipts for the year summarized into school functions or revenue sources.
- The total disbursements for the year summarized into school functions or expenditure items.
- The closing bank balance as of March 31st.

A Cash Receipts and Disbursement Statement is required for each bank account. By May 15th of year the above statement is to be delivered to the Secretary-Treasurer. Statements are to be placed on the agenda for a Regular Meeting of the Board of Trustees.

- d) At the end of the fall term and spring term, the Principal is to review the status of the school funds on a function, revenue source or expense item basis in a similar format to the annual Cash Receipts and Disbursements Statement.

6. Retention of Financial Records

The following schedule specifies minimum periods for retaining the school funds financial records.

a) Permanently

- Cash Receipts and Disbursement Records
- Annual Cash Receipts and Disbursements Statements
- Financial Report signed by the Signing Officers
- Any legal documents or certificates (investments, etc.)

b) Seven Years from end of Fiscal Year

- Cancelled cheques and bank statements
- Duplicate Deposit slips
- Bank Reconciliation
- Cash Receipts
- Vendors invoices and vouchers attached to duplicate cheques
- Other financial summary reports

D. REVIEW OF SCHOOL FUNDS CONTROLS AND PROCEDURES

The Secretary-Treasurer or designate will review compliance with this policy on an annual basis. The procedures undertaken to conduct this review should be documented and signed off at the same time of the review

Revised November 3, 1998

APPENDIX NO. 1

Beautiful Plains School Division

**SCHOOL FUNDS
BANK RECONCILIATION FORM**

Name of School Fund: _____

Date: _____

For the period _____ to _____

OUTSTANDING CHEQUES		PRIOR MONTH REGISTER BALANCE	\$
CHEQUE	AMT	ADD:	
		Deposits	\$
		Interest Earned	\$
		Other	\$
		DEDUCT:	
		Disbursements	\$
		Service Bank Charges	\$
		Interest Paid	\$
		Other	\$
		END OF MONTH REGISTER BALANCE	\$
		BALANCE AS PER BANK STATEMENT	\$
TOTAL	\$	LESS: OUTSTANDING CHEQUES	\$
		END OF MONTH REGISTER BALANCE	\$

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*** Must Balance**

PREPARED BY _____

AUTHORIZED BY SIGNATURE _____

APPENDIX NO. 2**AUDIT OBJECTIVES:**

The auditor shall provide a report verifying that these procedures have been followed and an opinion on whether or not the receipt and disbursement statement fairly represents the school's funds for the year.

1. To determine that all payments are properly supported and recorded in the synoptic.
2. To determine that all monies received are recorded and properly deposited in the bank.
3. To determine that the synoptic is clerically accurate.

AUDIT PROCEDURES:**Objective Number 1**

1. Check the continuity of the returned cheques.
2. Examine the returned cheques on a test basis and perform in the following steps:
 - a) agree the amount of the cheque to the amount recorded in the synoptic;
 - b) see that the signatures on the cheques are the ones of the authorized
 - c) signing authorities;
 - d) see that the cheque is properly endorsed;
 - e) examine the vouchers supporting the payment and agree the payee and the cheque amount to the details on the voucher.
3. Check the Bank Reconciliation by:
 - a) agreeing the bank balance to the bank statement
 - b) agreeing the total disbursements and total receipts
 - c) to the final figures in the synoptic
 - d) checking the reasonableness of any other reconciling items

Objective Number 2

1. Check the continuity of the cash receipts
2. On a test basis trace from the cash receipts to the synoptic
3. Agree the deposits recorded in the synoptic to the bank statement

Objective Number 3

1. On a test basis trace from receipt and invoice to synoptic to ensure consistency of posting to function or revenue/expenditure source
2. Ensure that the statement, as outlined in 5(c) is balanced.

Approved June 21, 1994
Reviewed October 18, 1994