

## **520 SCHOOL-BASED FUNDS MANAGEMENT**

### **General**

1. These administrative procedures establish minimum requirements for school-based funds management.
  2. Funds covered are funds that originated in the school for use by the group that established them. For example:
    - a. Students' union fund
    - b. Staff fund
    - c. Activity fund raising projects
- Note: This does not include petty cash accounts advanced by Central Office.
3. The Principal is responsible for the administration of all school-based funds. He/she is authorized to maintain such bank accounts as required.
  4. These procedures shall not be construed to mean that the Division is assuming any primary responsibility for the accountability of school based funds, nor should it be looked upon in any way as a restriction on the disbursement of funds by the group which owns the funds.
  5. The Division will not be responsible for any losses or damages resulting from failure to comply with these procedures. In all cases where theft occurs, the Principal or person suffering the loss shall notify the local R.C.M.P. and advise the Superintendent of Schools or Secretary-Treasurer of the same.
  6. Personal cash taken to or kept at the school shall remain the sole responsibility of the individual concerned.

### **System**

1. The fiscal year for school-based funds shall be from July 1 to June 30 of the following year.
2. A complete and proper set of records must be maintained for every fund maintained at the school. The following steps must be taken in order to ensure that a proper set of records are kept.
  - a. record each transaction (deposit/disbursement) promptly.

- b. keep a running balance of each fund account.
  - c. prepare a monthly bank reconciliation for each fund account.
3. All funds received for a designated purpose must be used only for the purpose so designated.
4. Any profits from any activity shall be used for the benefit of the student group or groups concerned.
5. Groups should be encouraged to make disbursements by way of cheque in order to minimize the amount of cash transactions.
6. No payments are to be made to individuals for honorariums, salaries, wages, etc.
7. Loans are not to be made from these funds.
8. Records must be kept current and available for inspection by the Secretary-Treasurer or his designate.

## **Procedures**

1. Signing Authorities
  - a. Principals shall provide the Secretary-Treasurer at the start of each school year or when a fund is established with the following information:
    - i. name of each fund
    - ii. purpose of each fund
    - iii. signing authorities for each fund
    - iv. name and address of the bank
    - v. bank account number of each fund
  - b. Every bank account used must have two signing authorities.
  - c. Whenever there are changes to the signing authorities, make sure that the applicable group passes a supporting resolution and records same in the minutes of their meeting.
  - d. Notify the Secretary-Treasurer whenever changes take place in the signing authorities or banking.
2. Receipts
  - a. Use a receipt book to write receipts for all funds received.
  - b. Funds should be deposited as promptly as possible in order to minimize the amount of cash kept on hand.
  - c. A personal cheque can be written to cover the cash on hand so as to facilitate making deposits.

- d. Retain all receipt books and duplicate deposit slips for a period of five years.
3. Disbursements
- a. Cheques should be made payable to the payee and not to cash.
  - b. Any cheques written and then voided should be mutilated and filed with the cancelled cheques.
  - c. All payments whether cash or cheque should be substantiated by a voucher (i.e. supplier invoice or cash voucher slip).
  - d. All vouchers for payment should be initialled by an official to indicate it has been authorized for payment.
  - e. Mark the cheque number used to pay the voucher on every voucher when they are processed for payment.
  - f. All vouchers should be filed by cheque number.
  - g. Retain all vouchers, cancelled cheques, bank statements and accounting records for a period of five years.
4. Residual Funds
- a. At the close of each fiscal year the Secretary-Treasurer shall establish, in consultation with the Principal, whether any of these funds should be considered a dormant account.
  - b. A dormant account, or any account which has not been active during the prior fiscal year, shall accrue to the general revenues of the Division.
  - c. Where the signing authorities of a dormant or non-active account can prove to the satisfaction of the Secretary-Treasurer that the available funds will be used as designated within the following fiscal year the action described in 4 (b) will not be taken.

### **Audit**

1. The Principal shall send to Central Office the completed records of each fund by July 15th, together with photocopies of the bank statements, covering the school year just passed.
2. Upon receipt of these records, an annual review will be conducted by the Secretary-Treasurer, his designate or the Divisional Auditor.
3. The Auditor will provide a written report of the condition of the records to the Principal.
4. Copies of such a report shall be furnished for the Superintendent of Schools and the Secretary-Treasurer.

5. Principals may request the Auditor to do an audit of the school funds at any time by contacting the Secretary-Treasurer.
6. The Auditor may conduct an audit of the school funds at the school at any time by giving the Principal two days prior notice.

#### **References**