

LL 118102

DIA-R-1
DIA-R-2

School Funds

Section 1: Principal's Responsibilities and Duties Regarding School Funds

1.1 General

The Principal is responsible for the administration of a system of accounting for all monies raised from student activities, student fees, entertainment, gifts, or from any other fund belonging to the school or to the student body or any student teacher groups within the school.

As the Principal is responsible for the school funds, it is his or her responsibility to implement a control system. The objectives of the control system shall be to ensure that:

- (a) The school receives and records in its books all the income to which it is entitled.
- (b) All expenditures are properly authorized.
- (c) Cash and other assets are properly authorized.
- (d) The accounting records provide a reliable basis for the preparation of accounts.

1.2 Operation of accounts which involve payments to or on behalf of staff (Except Supply Reimbursements)

Expenditures must be posted against the appropriate fund account. It is the intention to have a common chart of accounts for each school level however, accounts unique to the needs of each school may be added to the basic Chart of Accounts EXHIBITS DIA-E1, DIA-E2, DIA-E3

The following are accounts that each school must have in their chart of accounts to track payments to or on behalf of staff which are not reimbursements for materials or supplies purchased on behalf of the

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school for use within the school. (For such material and supply purchases, the staff member shall be reimbursed from the appropriate fund accounts.) No other accounts are to be used for payments to or on behalf of staff except as noted in (a)-(c) below.

(a) A School Professional Development Account

Revenues accruing to this account shall be limited to grants received from the Board.

Expenditures from this account shall be administered by the school Professional Development Committee, and each cheque drawn on this account shall be supported by documentation indicating approval of the Professional Development Committee, in addition to the required expense vouchers from the recipient. Proof of payment (original receipts) must be remitted by the staff member upon completion of the PD activity.

Note: Expenditures for staff memberships in professional organizations can be allocated from this account, as approved by the committee, but such expenditures shall not include memberships in associations or unions for which the fee is income tax deductible.

(b) A Staff Co-curricular Account

Revenues accruing to the Staff Co-curricular Account shall be limited to the following:

- 1) The amount allocated as a staff co-curricular expenses grant from the Board
- 2) An amount allocated from school funds, at the discretion of the Principal.

Expenditures to be paid from the Staff Co-curricular Account

Expenditures from this account shall be payment toward expenses incurred by staff members in the course of their supervision of co-curricular activities, restricted to the following:

- 1) travel and car expenses

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- 2) meals (each individual claim shall not exceed the amount authorized per meal in Policy DKC)

Expense Payments for the Staff Co-curricular Account may be made in one of two ways:

- 1) By cheque through school funds on the basis of expense vouchers with original receipts attached as presented by staff.
- 2) As block amount honoraria paid to a staff member at the end of the particular co-curricular activity. A Fees for Service form – Payroll must be sent into the Board Office for payment by Payroll. Reference Regulation DPA-R Fees for Service.

Allowable amounts for reimbursement to staff members for Staff Co-curricular Expenses are:

- up to a maximum of \$460.00 per major activity
- up to a maximum of \$120.00 per minor activity.

(c) A Staff Recognition/Appreciation Account

Revenues accruing to this account shall be limited to an amount not greater than \$50.00 per staff member, allocated from the general operating grants provided by the Board. School funds or monies from fund raising drives are not to be used for this purpose.

Expenditures from this account shall NOT exceed \$50.00 per staff member annually. Expense vouchers with original receipts are required.

1.3. Operation of accounts which do not involve payments to or on behalf of staff:

(a) Principal's Contingency Account

Expenditures from this account shall be contingency expenditures that arise in the operation of the school, but not including payments to or on behalf of staff.

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(b) Accounts Payable Procedures

The principal shall ensure that the school process for handling goods purchased through the Board Office comply with Regulation DIAAB-R Accounts Payable Procedures.

1.4 Accounts that should not be included in School Cash Accounts:

(a) Staff Fund

The staff fund (where revenues come from staff) is to be operated on a separate non-school bank account. The Principal and the other signing officers of the school shall not be the signing officers of the staff fund.

(b) Parent Council Fund

Any Parent Council Association or Parent Organization fund is to be operated on a separate non-school bank account. The parent group itself shall administer the fund, and the Principal and the other signing officers of the school shall not be the signing officers of the parent fund.

1.5 School Generated Funds

a) Fund Raising (including fund raising drives for band trips or extended field trips)

The Principal is to communicate to the school catchment area:

- i) Purpose of fund drive
- ii) Manner in which funds will be expended. A detailed budget must be provided where significant monies are being raised for band or extended field trips
- iii) That financial statements will be available to interested parties on request.
- iv) All fund raising financial statements must be submitted to the Secretary-Treasurer/Chief Financial Officer for tabling with the Board.

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(These statements should indicate the purpose of the fund drive, and the manner in which the monies raised will be expended.)

Funds which have been raised through activities at fund drives or cafeterias may be expended on school activities and purchasing of supplies in a manner that is authorized by the Principal.

Purchases of all Capital equipment from school generated funds must be approved by the Secretary-Treasurer/Chief Financial Officer's Department and purchased through the Board Office Purchasing System. Capital equipment purchases become the property of the Division and shall be included in the fixed asset inventory program. Additions and disposals of Fixed Asset Inventory must be approved by the Secretary-Treasurer/Chief Financial Officer.

b) Flat Rate Assessment

Schools may, upon approval of the Board of Trustees, and with the support of the parent council, elect to levy an annual flat rate assessment in lieu of fund raising activities. Schools wishing to do so shall forward a written request describing the proposed fee and the community/staff support to the Secretary-Treasurer/Chief Financial Officer.

c) Student Fees

Schools generate funds from students' fees. (E.g. home economics and industrial arts, lockers, gate receipts, drama & operettas, teas, fund drives, vending machines, cafeterias and book damage charges.)

The general principle which should be followed in regard to these funds is that where the money is raised through student fees or book damage charges, it should be expended for supplies or equipment in the particular area for which the funds are raised. For example, book damage charges should go toward repairing books, labour costs and distribution of books and book replacement. Guidelines established under policy JN-R (amended 118-80) in regards to student fees, fines and charges shall be adhered to.

The financial operations of school sponsored activities involving student payments in excess of regular student fees (Sports teams, Cheerleading, Out of Town Trips, any activity involving the collection of additional fees and encountering expenses) – must follow Regulation DIA-R-1.

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8. Student Council Fees

A separate fund account in the SchoolCash Program shall be used to account for monies raised by student organizations and expended under provisions of their constitution. The money should be raised by student effort through approved activities; accounting records should be maintained by both the organization's student treasurer and by the school office; and the money should be disbursed according to the approved activity, following action of the student group and/or the student officers, with the approval of the faculty advisor.

9. Graduation and Yearbook Fees

Monies collected for graduation and yearbooks must only be expended on student activities for which they have been raised. Funds raised in a current school year must not be expended to pay for previous years' purchases or activities.

10. Year-End Surplus Funds

Surplus monies that may accumulate at year end shall be kept to a minimum and may be expended to facilitate efficient operation in the next year. However, major projects which might require fund accumulation over more than one school year should be properly documented indicating the major purpose involved and forwarded to the Secretary-Treasurer/Chief Financial Officer. The amount of the fund balance carried over from year to year is subject to review and limitation by the Secretary-Treasurer/Chief Financial Officer.

11. Year-End Surplus from Fundraising Drives

At year end, funds that were raised for a specific purpose and not yet expended for that purpose shall be reported to the Secretary-Treasurer/Chief Financial Officer and the balance rolled over in the new year. The general principle which must be followed in regard to these funds is that the funds must be expended in a related area for which the funds were initially raised. The intended expenditure must be specified and will be reviewed during the annual internal audit.

12. Claims for Reimbursement

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Providing the school budget (SRB) has sufficient dollars to cover expenses, schools can claim reimbursement for eligible expenditures paid from schools funds (SchoolCash Program). Regulation DJBA-R

13. Cash in Schools

Section 1: Bank Statement and Reconciliation

2.1 Monthly Bank Statements

The principal shall ensure that the monthly bank statement is received and the reconciliation is completed as per SchoolCash instructions and Regulation DIAAC-R.

2.2 Investments

Schools are limited to savings accounts, guaranteed investment certificates and redeemable term deposits (maximum 1 year).

Section 3: Monthly Reports

School Financial Statements must be forwarded on a monthly basis to the Assistant Secretary-Treasurer as per Regulation DIAAD-R.

Section 4: Payment Authorization

4.1 Signing Officers

There shall be three signing officers for the school fund, as follows:

- (1) The Principal
- (2) The Vice-Principal or Teacher Designate
- (3) The Administrative Assistant assigned to the school SchoolCash Program.

Note: The Administrative Assistant shall be asked to sign cheques only when one of the authorized signing officers is a payee or is unavailable to sign.

Section 5: Cash Management

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- 5.1 All cheques received shall be stamped “for deposit only” and receipts shall be issued for all cash received. All school fees received must have receipts issued whether cash or cheque. The receipts books used must be at least in duplicate – one for the recipient and one for the school records, the receipts must be numbered and have the name of the school identified.
- 5.2 In the case of school fund drives where a large amount of receipts are generated, it would be permissible to use a spreadsheet to record individual names and amounts. The total of the spreadsheet can then be entered as one receipt. The deposit number must be put on the spreadsheet.
- 5.3 All money received shall be deposited in total as opposed to being net of cash expenditures. Under no circumstances shall money be transferred to petty cash or used to settle other expenses.
- 5.4 All significant monies shall be deposited in the bank – at least weekly or more often depending on the amount of money collected. Deposits are generally delivered to the bank by the principals and should be done on the same day that the funds are received. If the principal is unable to perform the banking duties, then he/she shall check the deposit in detail and initial the deposit slip as evidence of review. Proper separation of banking duties must be evident.
- 5.5 All cash and cheques on hand awaiting deposit shall be kept in the safe and the safe shall be locked at all times. Access to the safe combination shall be limited. The combination must be forwarded on an annual basis to the Secretary-Treasurer/Chief Financial Officer under Confidential Cover.
The School Board will reimburse a school experiencing a loss of funds due to a break-in of the school safe up to an amount of \$25.00, upon receipt of a full written report.
- 5.6 School fund surplus may be allocated to individual fund accounts at the beginning of the school term at the discretion of the principal. This may be helpful when undertaking budgeting for school accounts. When budgeting, principals shall consider that the surplus shall be kept to a minimum level. This level shall be adequate to fund the operations at the start of the next school year. Fund raising and school fees should be raised with the intent of being spent during the year that they are collected

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and spent on the students that provided the funds.

- 5.7 All school sponsored activities involving student payments in excess of regular student fees must comply with regulation DIA-R-1 Financial Operations of School Sponsored Activities.

Section 6: Petty Cash

- 6.1 Petty Cash Funds must be strictly controlled and be kept on an imprest basis. The cash on hand plus the paid expense vouchers due for reimbursement shall always be equal to the amount of the float.

Under no circumstances shall petty cash be used for the cashing of staff or pupil cheques. The principal shall ensure that entries in the petty cash are made on a regular basis. When a petty cash reimbursement cheque is required, the principal shall scrutinize the attached vouchers to ensure that only bonafide payments have been made. It must be remembered that petty cash is not an account description but rather a summary of different accounts. When the float is replenished, all the fund accounts affected must be credited.

The principal shall also undertake a surprise cash count at least once every 3 months. This count is designed to show that the cash on hand and vouchers on hand equal the original cash float. The principal shall initial the petty cash book on the date of the count to indicate that a count has taken place.

- 6.2 The Petty Cash Float shall be no more than the following:
- a) Schools with 500 or more students and with cafeterias, stores, etc. \$500.00 or less
 - b) Schools with 500 or more students \$200.00 or less
 - c) Schools with 250 – 499 students \$100.00 or less
 - d) Schools with 249 or fewer students \$50.00 or less

Section 7: Disbursement of School Funds

- (a) Each cheque requires a cheque requisition with adequate backup normally in the form of an original invoice. Before a cheque requisition is approved for payment, the invoice shall be signed by the person who received the goods. The invoice shall not only be checked for the nature of the goods, but also the quantity that is being billed. The

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cheque requisition should be authorized by one of the administrators that is a signing officer for the school.

- (b) Every cheque requires two signatures.
- (c) Cheques must be prepared on the SchoolCash system and printed on school cheque stock.
- (d) Blank cheques must never be signed.
- (e) Cheques must not be payable to CASH.
- (f) Payment to individuals for fees for service must not be paid in cash and must be compliant with Regulation DPA-R-E-1 and DPB-R-E-2.
- (g) No signing officer shall sign a cheque or requisition when he/she is the recipient of the cheque (payee).
- (h) Individuals signing cheques shall do so only with full understanding of the payment being made, and shall not sign unless they have reviewed the supporting documentation and are satisfied that the transaction meets the requirements of Board Policy and the relevant Regulation(s).
- (i) All disbursements must be related to school activities

Section 8: Expenditure of School/Division Funds on Alcohol

SECTION 8: EXPENDITURE OF SCHOOL/DIVISION FUNDS ON ALCOHOL

- (a) School and/or Division funds cannot be spent on alcohol except for the purchase of wine at the following staff recognition functions:

Silver Circle Dinner
Retirement Dinner
Trustee/Administration Christmas Dinner

- (b) If alcohol is provided at a school and/or Division-sponsored staff function it must be on a cash bar basis only.

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Section 9: Audits

All school accounts are audited by the Secretary-Treasurer/Chief Financial Officer's Department on an annual basis. External auditors will be called upon if deemed necessary. The Secretary-Treasurer/Chief Financial Officer's Department may require an audit of any account at any time.

As a regular procedure, the accounts of the school will be audited in the spring of the year. However, if the Principal is leaving the school due to transfer, retirement or resignation a subsequent audit should be completed.

Section 10: Statement of Declaration

Principals and Vice Principals are required annually to complete the Statement of Declaration as outlined in Exhibit DIA-E4 and submit to the Secretary-Treasurer/Chief Financial Officer before May 31st of each school year. In this statement, the principal confirms the following:

I have received a copy of the Division's policy statements and operational procedures setting forth management policies, internal controls and accounting procedures required for all school funds. I have read these documents and I am familiar with their contents. I understand the responsibilities which have been delegated to me, and that my evaluation will include an appraisal of my efforts in this regard. I understand that I am to report any potential conflicts with these policies and operational procedures to either the Secretary-Treasurer/Chief Financial Officer or the Superintendent/Chief Executive Officer.

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