

TRI-COUNTY REGIONAL CENTRE FOR EDUCATION POLICY and PROCEDURES

Title	Effective Date	Revision Date	Pages
No. 301 School Based Funds	March 13/96	Feb. 20/2007 February 7, 2012 April 5, 2016 February 16, 2021	7

It is the policy of the Tri-County Regional Centre for Education to safeguard the interests of the Regional Centre, school principals, school administrative assistants, teachers and students, by establishing procedures for the administration of Regional funds. This policy complies with the Education Act and other related provincial acts and policies, Public Sector Accounting Board Policies, Tri-County Regional Centre for Education School Based Funds Handbook and Tri-County Regional Centre for Education Policy No. 300 Procurement.

PROCEDURE Under Policy 301

School Based Funds are all those funds raised by, collected or donated to a school in the name of the school or school groups. Fundraising methods shall be in keeping with the general objectives of public education and shall be consistent with any laws governing fundraising methods. School based funds include proceeds from various fundraising efforts, fees, collections, donations, cafeteria/canteen sales, scholarship funds or trust funds, etc. School Based Funds do not include the funds of School Advisory Councils, Staff Funds, Home and School Association, other School Parent Support Groups, or any Society of the Regional Centre governed by a Society agreement.

Unacceptable uses of school based funds would include (but are not limited to) the following listed items: mileage and travel reimbursement to employees (including accommodations and meals), payments to employees for services, payments for staff courses (e.g. instructional course fees and conference fees), gifts for staff members (such as retirement, birthday, etc.), payments for items tendered through the Regional Centre's purchasing office and personal items or other non-school related expenditures.

There are two types of school funds as follows:

1. General Purpose (Unrestricted) Funds – these are funds that are collected or raised for a general purpose like contracts, fees and/or general fundraising activities. There is no specific intent and must be used for school related activities (as approved by the Principal).



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2. Funds Raised for a Specific Purpose (Restricted Funds) – these are funds collected or raised for a specific purpose. These funds are only to be used for that purpose. They cannot be used for another purpose without agreement among all parties involved regarding their application to other uses.

1. Annual Report

The Regional Centre shall examine school funds/accounts on a regular basis through internal audit.

- a) The Director of Finance or designate shall prepare a plan and a schedule for the audit of school accounts by September 30th of each year.
- b) The Audit Findings Report, including any recommendations for change, shall be forwarded to the School Principal within one month of substantial audit completion.
- c) The School Principal shall respond within 60 days confirming agreement to comply with recommendations or reasons why he/she disagrees with the recommendations.
- d) A Principal may request an audit if he/she feels there is valid reasons. This could include a change in Principal or Administrative staff.
- e) The School Principal shall ensure that an annual consolidated report of all school based funds is prepared for the fiscal year April 1 to March 31. In Addition, this report shall include a bank reconciliation report for each bank account of the school and HST Report as of March 31. The reports and bank reconciliation is to be forwarded to Financial Services by April 15th.
 - (i) This report shall be in a standardized format as provided by Financial Services and shall list the opening balance, all revenues and all expenditures (by standard umbrella types as prescribed), and closing balance as of March 31st, balanced to bank account balances.
 - (ii) The report shall include the year end SchoolCash.net roll over reports.
 - (iii) A Transaction Detail report (showing splits) for April 1 to March 31st shall also be included for each school account/fund and included with the other reports by April 15th.
 - (iv) An itemized listing of any accounts receivable and accounts payable as of March 31st shall also be included in the reports to be submitted by April 15th of every year.



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2. Administration

The School Principal shall oversee the administration of school based funds and ensure that accurate records are kept of receipts and disbursements of all money collected, raised, or donated to the school. The School Principal shall be responsible for any and all school funds and must approve any account opened in the school's name. The Director of Finance (or designate) shall have the authority to limit the number and purpose of bank accounts that are opened or are planned to be opened for each school.

3. Fundraising

The School Principal must annually, at the beginning of the school year, approve all proposed major fundraising activities by the school, students and/or student governments.

4. Bank Accounts

All money collected by a school shall be deposited to an account or accounts set up in a financial institution.

- a) In most cases, a chequing account is appropriate for this purpose.
- b) When a school carries a large cash balance for an extended period of time, consideration shall be given to make deposits in interest bearing accounts, or other non-risk financial instruments with transfer made to the chequing account when required. Other types of acceptable investments include: Term Deposits or GICs of Chartered Banks. Lock in periods for these investments will be short enough to avoid cash flow problems.
- c) Any investments shall have prior written approval of the Director of Finance or designate before such investments are made.

5. Signing Authority

School accounts shall have at least three signing officers, and two authorized signatures shall appear on each cheque issued. One of those signatures must be the Principal or designate. If this person is a designate by the Principal, then such authorization must be in writing and maintained at the School at all times showing such approved designation.

- a) Under no circumstances are cheques to be pre-signed by one or both of the signing officers. Signature stamps are not to be used on cheques at anytime.
- b) Cheques made out to individuals who are signing officers, requires alternate designated signatures.

**PROCEDURE Under Policy 301 Cont'd****6. Bank Deposits**

Bank deposits shall be made on a regular basis, intact, with every deposit over \$300 to be made within 48 hours of funds receipt. Under no condition are school based funds to be removed from the deposit for payment of expenses nor are any funds to be deposited to personal bank accounts.

- a) School Principals shall ensure that significant amounts of cash are not left in the school over night.
- b) Cash in excess of \$300 shall not be left in the schools on weekends or holidays.
- c) All schools shall have a fire-rated safe installed and properly secured.
- d) All deposits shall be supported by a bank deposit slip copy as well as any documentation pertaining to a breakdown of the deposit. Such documentation is to include receipts for money collected.
- e) All receipts shall be recorded on a computer accounting program, i.e. SchoolCash.net with all pertinent information, i.e. receipt number, date, amount, source and purpose. All cash receipts shall be recorded and classified to standard umbrella types as provided by Financial Services.

7. Purchases

All purchases of supplies, equipment, material, services, transportation etc., shall be supported by invoice or proper documentation. All such purchases must be made in compliance with the Regional Centre purchasing policy.

- a) All disbursements shall be recorded on a computer accounting program, i.e. SchoolCash.net with all pertinent information, i.e. cheque number, invoice number, date, amount, payee name and purpose. All disbursements shall be recorded and classified to standard umbrella types as provided by Financial Services.
- b) All disbursements shall be supported by supporting documentation and the cheque stub shall be attached to the original invoice or appropriate documentations submitted for payment. All invoices shall be reviewed by the respective signing officer and signed for approval indicating the cheque number and date of payment. They shall be filed monthly for easy access by the cheque number.
- c) A cheque request voucher that contains vendor name, date, description of payment, and a signature of the party requesting a cheque shall support any disbursement issued to individuals.
- d) All expenditures must be paid for on a timely basis.



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- e) HST Rebates are to be claimed on a monthly basis, with rebate paid directly to the school, as a branch of the Regional Centre.
- f) All expenditures must not only be reasonable in nature for school purposes but must not result in a conflict of interest (as defined in the “Ministerial Education Act Regulations Section 70 – Provincial Conflict of Interest Policy”).
- g) Any items purchased from school funds remain the property of the school and/or Regional Centre, with the exception of items which are meant to be small gifts or tokens of appreciation (value not to exceed \$40) for volunteers or presenters outside of Tri-County Regional Centre for Education, small incentives for students, items of a consumable nature and similar expenditures.
- h) Credit cards are strictly prohibited for any School Based Funds bank account.
- i) Internet banking and debit cards are to be view only access and to be used only to view transactions and obtain the monthly bank statements.
- j) Funds raised by NSTU staff performing supervision duties shall be used in a manner consistent with the NSTU contract.

8. Forms

All schools will use standard forms developed and provided by the Financial Services Department which are available on the website for printing. They will be revised periodically as required. These forms are to ensure proper internal controls within the schools as well as to protect all Regional Centre employees. Special purpose forms may be created and used only if they have been approved by Financial Services.

9. Computer Accounting

The computer accounting program shall be kept up to date with both deposits and disbursements done on at least a weekly basis for all bank accounts.

10. Monthly Reports

Schools must have chequing accounts that provide both a bank statement and cancelled cheques on a monthly basis with a bank monthly statement date as the last day of the month.

- a) Upon receipt, cancelled cheques shall be placed in numerical order and a reconciliation with the bank balance done, on a timely basis, on each account monthly.



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- b) A Reconciliation Report shall be printed within one week of receiving the monthly bank statement.
- c) The Reconciliation Report, monthly bank statement and appropriate cheques shall be given to the School Principal for review and filing. The reconciliation report shall be signed and dated by the Principal.
- d) A copy of the bank statement and bank reconciliation shall be forwarded monthly to the designated Accounts Clerk/School Based Funds, after the monthly reconciliation has been completed.
- e) A petty cash fund may be maintained at the school level to pay for small expenditures if supported by receipts. The petty cash fund should not exceed \$300. The receipts and the balance on hand, must equal the petty cash fund total at any time and is always subject to audit and reasonableness of expenditures.

11. Audit Committee

Each school with an enrolment of more than 300, and any school having an enrolment of more than 150 high school students shall have an Audit Committee comprised of three members other than the school principal and administrative assistant that assists with the management of the school based funds.

- a) The School Advisory Council shall request volunteers to serve on the Audit Committee from the School Advisory Council, Home & School Association, Parent Support Group, school staff, or community members.
- b) Signing Officers for school based funds should not be members of the Audit Committee.
- c) A school shall form an Audit Committee should the Principal, SAC, or Director of Finance request one.
- d) The duties of the Audit Committee are:
 - i. To receive the budget for school accounts from the school principal.
 - ii. To receive the annual statements of all school based funds (as outlined above) that shall be forwarded to the Director of Finance by April 15th of each year.
 - iii. To receive the Reconciliation Report for the months of April to March for each school bank account.

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- iv. To receive the School Funds Audit Report(s), when completed for the applicable school, from the Director of Finance.
- v. To review recommendations and ensure timelines are met for implementation of such guidelines as indicated in the School Funds Audit Report(s).
- vi. To advise the school principal, based on the information provided in the School Funds Audit Report(s), on:
- vii. Improving the budget development process.
- viii. Improving the accountability for money spent.

12. Scholarships or Trust Funds

Any funds held in trust by a school for a specific purpose such as scholarships or student awards are to be considered school based funds and must be included in the annual report. These scholarships or trust funds held by a school cannot exceed \$5,000 for any individual scholarship or student award. Any amounts greater than \$5,000 must be held in trust by the Tri-County Regional Centre for Education in a specific trust fund for the scholarship or student award with signed guidelines. Trust Funds, such as scholarship funds, which are maintained at the school level, are also subject to the guidelines noted above and subject to audit. Payment of such funds must conform to the guidelines of the specific scholarship when available.

13. School Based Funds Handbook

The School Based Funds Handbook contains further information and detailed procedures on how to manage school based funds, including how to record, report and review information relating to school based funds. The Handbook is considered an inherent component of these procedures.