



## AP 5 – 01 School Generated Funds

<b>Related Policies:</b>	<b>Initial Approval:</b>
<b>Related Procedures:</b>	<b>Last Amended:</b> 2019 December 17
<b>Exhibits:</b>	<b>Last Reviewed:</b> 2019 December 17

### PURPOSE

The Division recognizes that schools may deal with substantial sums of money gained through fund raising. Alberta Education has declared that it is the Board's responsibility to develop and maintain appropriate procedures to provide assurance that monies related to School Generated Funds (SGF) are safeguarded and proper records are maintained. Alberta Education requires information pertaining to SGF in the Budget Report Form and the Audited Financial Statements.

The April 1996 Task Force Report on School Board Reporting in Alberta qualifies SGF with the following statement: If School jurisdiction management and /or employees are accountable and are in roles whereby the activities of these organizations are controlled by them (majority of directors, sole/joint bank signing authority, etc.) then the organization's activities are most likely SGF. Funds that are raised by a registered society or are held outside of the school's accounts with no direct involvement of school or jurisdiction staff are not defined as SGF.

### SCOPE

This administrative procedure applies to all staff.

### DEFINITIONS

SGF are funds raised in the school and community that come under the control and responsibility of the school principal and are for student activities. These funds are collected and retained at the school for expenditures paid at the school level (e.g. student union, yearbook sales, graduation fees, field trip fees, etc.). Fees for instructional supplies or materials charged under section 57 of the Education Act are not SGF, nor does registered society revenue fall under the definition of SGF.

### PROCEDURES

1. The Principal is accountable for all SGF collected at the school. Funds shall be adequately safeguarded through standardized accounting procedures and controls. SGF shall be accounted for in a manner consistent with the Division's accounting procedures (SGF Accounting Instructions). These procedures have been put in place to direct and protect fundraisers, parents, school staff and school administrators in carrying out their responsibilities.
2. SGF must be utilized strictly for the purpose they were collected unless alternative uses have been communicated to, and approved by, the persons from whom the funds were collected.
3. SGF shall normally be used within a two-year period unless designated for a specific longer term use, with input from School Council (or Advisory Committee, as described in the School Councils Regulation).
4. SGF shall normally be used for students who were in the school when the funds were raised.
5. SGF shall not be used for the direct benefit of school staff, except as outlined in our Staff Recognition Guidelines.
6. SGF funds shall be remitted to division office when it is to be used for capital purposes and for library resources.

7. Money received for scholarships or similar purposes shall be segregated from SGF and administered centrally by the Division.
8. The Principal shall provide to the Treasurer and the school administrative support a report describing each SGF fund category by September 30th of each school year and when a new fund category is established.
9. An SGF report, summarizing the activity in each project to date, a Bank Reconciliation, accompanied by a copy of the applicable bank statement, shall be submitted during the operational year to the Treasurer for the months of February and August. Reports shall be submitted by the due date communicated by the Treasurer. The reports shall be presented in the format specified by the Treasurer, which may be revised periodically.
10. All transactions shall be controlled and recorded in the school's accounting system and bank account and be subject to audit by the Division's internal and external auditors at least once every three years.
11. The Principal may contact the Treasurer to request an audit of school accounts.
12. School financial records may be audited in the event of a change of school administration or the school administrative assistant.
13. The Principal and staff shall not have signing authority or financial responsibility for groups choosing to administer their funds independently.
14. The school account activities & balances will be reported two times during the year, by the Principal, to School Council/Advisory Committee and the staff, or upon request at any time during the year. These reports will be dated August 31st and February 28th. The reporting will be consistent to the standardized format referred to in the SGF Accounting Manual.
15. To facilitate school based bookkeeping of SGF and to ensure compliance with audit requirements, each school in the Division shall implement internal controls over the administration of its SGF. The SGF bank account shall be reconciled monthly, by the 12<sup>th</sup> of the following month, and reviewed and signed off by the School Administrator.
  - a) In order to ensure that Division records are up to date, all SGF bank accounts opened shall have the prior approval of the Treasurer.
  - b) Only one bank/financial institution account in the name of the school shall be used for all SGF.
  - c) The school office shall issue receipts for all monies received.
  - d) When funds are collected in classrooms, a summary list shall be remitted with the funds to the school office. The school list should include the name and signature of the person who collected the funds, the date the funds were collected, and the purpose for which the funds were collected. The funds shall be counted again in the school office and initialled to confirm that the funds received agree to the amounts listed.
  - e) All cash received shall be reconciled to the receipts and deposited in the school bank account on a regular basis. All cash or cheques are to remain in the school and shall be kept in a safe or locked cabinet, until they are taken to the bank for deposit. Schools should make arrangements to utilize night deposit services when necessary. A deposit shall be made as frequently as necessary, but not less than weekly.
  - f) All expenditures shall be referenced to invoices or some form of request for payment. Authorization for payment shall ultimately rest with the Principal. The Principal may, however, delegate this responsibility if he /she so wishes to someone other than the School Administrative Assistant. Records of expenditures shall be kept on file at the school for audit purposes.
  - g) No payments are to be made to individuals for honorariums, salaries, wages, etc. Such payments are to be made using school budget funds processed through the Payroll Department, with subsequent reimbursement to the school budget from SGF.

- h) All payments shall be made by cheque. Under no circumstances are blank cheques to be pre-signed.
- i) The Principal shall authorize all transfer of funds. Written records of this authorization shall be kept at the school for audit purposes.
- j) All SGF must be recorded using standardized accounting software as identified by the Treasurer.
- k) Schools must maintain full SGF accounting records for seven years.
- l) All losses of SGF shall be reported immediately to the Treasurer.
- m) Quarterly project reports, showing all revenues and expenditures for each project, shall be provided to the project administrator (the staff member overseeing the project). The project administrator shall review for accuracy and return a signed copy to the school office.

## **REFERENCE AND LINKS**

SGF Accounting Instructions

Cross Reference

AP 5-08 School Fundraising

AP 5-10 Purchasing Procedure

AP 5-12 Authorized Signatures

## **HISTORY**

2019 May 28 Reviewed

2019 Dec 17 Reviewed