



Niagara Catholic District School Board

## **SCHOOL GENERATED FUNDS**

### ADMINISTRATIVE OPERATIONAL PROCEDURES

300 – Schools/Students

No 301.6

Adopted Date April 25, 2006

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In keeping with the Mission, Vision and Values of the Niagara Catholic District School Board, the following are Administrative Operational Procedures for School Generated Funds.

#### **PREAMBLE**

The Niagara Catholic District School Board recognizes that funds may be generated at the school level from a number of different sources. School Generated Funds apply to all funds that are received, raised, or collected in the name of the school or school activity. The Administrative Operational Procedures on School Generated Funds operate in conjunction with existing Provincial Legislation, Board Policies, and publicly accepted accounting principles.

The Board has a mandate and fiduciary responsibility to ensure proper management of the funds to protect public interest and trust.

The accounting and control of the proceeds of School Generated Funds must be conducted in accordance with the Administrative Operational Procedures.

#### **INTRODUCTION**

The Administrative Procedures are based on the January 2009 publication, “School Generated Funds Guidelines” from the Ontario Association of School Business Officials (OASBO) and revised to meet the Niagara Catholic District School Board’s requirements.

#### **SOURCES AND USES OF SCHOOL GENERATED FUNDS**

School Generated Funds shall have a defined purpose and must be used for its defined purpose. Funds must be categorized for each specific event or activity and accounted for separately. Residual amounts for a specific event/activity at the end of the school year shall roll forward to the next year, and where possible used against the same or similar event/activity.

#### **CATEGORIES OF SCHOOL GENERATED FUNDS**

1. Local School Initiatives
2. Board approved initiatives
3. Fundraising
4. Donations
5. Fee for service

#### **ROLES AND RESPONSIBILITIES**

##### ***Director of Education***

- Establish administrative procedures for school generated funds.
- Receive any financial review as determined by the appropriate Superintendent or designate.

### ***Superintendent of Business & Financial Services or designate***

- Provide training to staff on the appropriate application of the administrative procedures.
- Complete and/or follow-up on financial review reports.
- Receive and maintain a central file of annual financial reports from each Family of Schools Superintendent.
- The Manager of Student Information and Administrative Services will also receive and maintain a central file of annual financial reports.
- Report to the Family of Schools Superintendent when SGF are
  - Lost or stolen
  - Misused
  - Failure to follow any policy or administrative procedures

### ***Family of Schools Superintendent***

- Review with Principals current Board policy and Administrative procedures.
- Verify that schools are complying with the reporting requirements of the Administrative Procedures for School Generated Funds
- Family of Schools Superintendent's may request financial records at their discretion.
- Report to the Senior Business Official or designate when SGF are
  - Lost or stolen
  - Misuse
  - Failure to follow any policy or administrative procedures

### ***Principal***

- Ensure that the Administrative Procedures for School Generated funds are implemented in compliance with Board Policy and or Administrative Memorandum
- Act as one of the approved signing officers on the school bank account.
- Appoint the Designated Secretary responsible for receipts, disbursements, banking and record keeping and communicate those responsibilities.
- Ensure that processes are in place to adequately control the funds within the school including security over cash and records.
- Ensure that no staff members or members of the community are collecting and managing funds in their own bank account.
- Communicate responsibilities to staff members.
- Ensure that there is a primary contact for each club or class involved with financial transactions.
- Review, initial and date the monthly bank reconciliation.
- Review records periodically.
- Review, sign and date the annual Financial Reports.
- Distribute and/or make available the annual financial reports as outlined in the section on Financial Reporting.
- Notify the Family of Schools Superintendent and the Senior Business Official immediately if funds are lost or stolen.
- Ensure that the school or any individual associated with the school does not enter into contracts in the name of the school or the Board.
- Ensure that the Catholic School Council chair is aware and understands their roles and responsibilities.
- Provide financial reports for the Catholic School Council to review as they pertain to Catholic School Activities on a quarterly basis as a minimum.

### ***Designated Secretary in the School***

- Implement the administrative procedures for school generated funds as directed by the Principal.
- Act as one of the approved signing officers on the school bank account.
- Count and verify funds received for deposit.
- Prepare bank deposits and deposit funds at the bank on a regular basis.
- Issue cheques ensuring that all requests for payments are properly supported and approved by the Principal.
- Record transactions on a regular basis.
- Complete the monthly bank reconciliation.

- Prepare transaction reports as required.
- Advise the Principal of deviations from the administrative procedures outlined in this manual.
- Prepare annual financial report and submit to Principal.
- Assist during financial review.
- Participate in board sponsored training relating to school generated funds.
- With approval of the principal, delegate some of these duties to another staff position directly involved with school generated funds.

### ***Staff Members***

- Collect money from students or other sources as applicable.
- Count money collected and record amount and intended use on the Deposit Voucher Funds Received Form as indicated in the section on Banking, Receipts and Disbursements.
- Ensure funds collected are delivered to the Designated Secretary on a daily basis.
- Ensure that invoices have the appropriate approval and are delivered to the Designated Secretary for payment.
- Ensure details of financial activity related to their class or club are recorded correctly.
- Ensure that funds received are disbursed as per the intent of the funds raised or collected.
- Request and review transaction reports on a regular basis and advise the Designated Secretary of any discrepancy.

### ***Catholic School Council Chair***

- Work with the Principal to ensure that the sources and uses of school generated funds comply with Board policy and the established administrative procedures.
- Ensure fundraising activities involving the students and/or the school are in compliance with Board policies and no direct or indirect benefit is derived by a member of the Catholic School Council.
- Ensure that Catholic School Council members are aware that where conflicts of interest exist, they are disclosed.
- Review, sign and date the annual Catholic School Council financial reports.
- Attend board sponsored training relating to school generated funds.
- Ensure that all records and financial reports are available for review at the school as indicated in the section on Catholic School Councils.

## **BANKING/RECEIPTS/DISBURSEMENTS**

- The school must have only one school generated funds bank account.
- Where schools participate in Lotteries and Games of Chance; a second separate bank account must be maintained.
- The bank account must be in the name of the school.
- Cheques for the school bank account must be pre-numbered.
- The account must require two signatures on all cheques.
- It is acceptable to have up to four signing officers. The Principal must be one of the four.
- Bank account established must be such that statements are issued on a monthly basis along with returned cheques.
- The bank statement must be cut-off on the last day on the month.

## **RECEIPTS**

- All money received at the school must be stored on site in a designated locked and safe location, which has limited access.
- All money collected must be deposited intact to the bank account promptly. This means that expenditures are not paid from the cash collected. The total funds are deposited to the bank and a cheque written to pay for expenditure.
- All staff collecting money must complete the attached “Deposit Voucher” and forward to the Designated Secretary in the school office.
- Once the Designated Secretary receives the money, they will sign for receipt of funds on the “Deposit Log”. Designated Secretary will note a reference number on the Deposit Log and Deposit Voucher.

The individual making the deposit to the office should sign the log indicating the deposit of funds to the office and should be done in the presence of the Designated Secretary.

- The Deposit Voucher must be fully completed accompanied by a class list or other supporting documents and must be totalled and signed to ensure that the deposit is accurate and deposited to the correct category/subcategory.
- Money must be counted in the presence of two individuals.
- When the funds have been counted by the Designated Secretary, they will sign the Deposit Voucher indicating that the actual money originally submitted were correctly accounted for and verified.
- You may use the same procedure for receipting funds received directly from individuals or groups not employed by the Board.
- The Deposit Voucher must be used to process all deposits to the school bank account.

## DISBURSEMENTS

- All disbursements must be recorded promptly.
- All payments must be made by cheque or through Board approved petty cash.
- Pre-signing of cheques is not acceptable. Signature stamps are not acceptable.
- Payments must only be made upon the presentation of original invoices, receipts or other appropriate supporting documentation approved by the Principal.
- When a cheque is issued the invoice must be marked paid and the cheque number and date recorded on the original documentation. Payments should not be made from company statements.
- Cheques made payable to cash or payments in advance to employees are not acceptable.
- Reimbursements to Principals above a set dollar amount (determined by board) must be approved by their Superintendent.
- Using the number control feature, all cheques should be accounted for. Voided cheques should be retained.
- Unused cheques must be stored in a designated, secure location in order to prevent loss or theft.

## INVESTMENTS

Where a school has excess funds, they may be invested in the name of the school as permitted by Reg. 471/97 of the Education Act (Eligible Investments) and Board Policy and practices (e.g. term deposits, GIC's, etc.). These funds should be invested on a short-term basis.

## BANK RECONCILIATION

- Monthly bank reconciliations must be completed.
- Cheques not cashed within six months are stale-dated and shall be reversed in your records.
- The Principal shall review the monthly bank reconciliation, sign it and retain on file.

## FINANCIAL REPORTING

The Principal is accountable for the money to both the school community and the Board. Financial statements demonstrate accountability and, at the same time, provide information for decision-making needed by the school community and the Board.

- The financial reports shall be prepared under the direction of the Principal.
- The reports shall encompass all money generated in the name of or under the auspices of the school regardless of its source or use.
- The fiscal year for the reports shall be September 1 to August 31.
- The Principal shall review, sign and date all reports.
- The reports shall be made available at the school to the members of the school community upon request.
- The reports shall be kept with the records for the school generated funds for seven years.

## MINIMUM REQUIRED REPORTS TO INCLUDE

1. Plan for School Generated Funds – Yearly
2. Banking Summary Report – Monthly
3. Itemized Category Listing Report – Monthly
4. Summary Template (Template) – Annual
5. Bank Reconciliation Report – Monthly

## FINANCIAL REVIEW

The Board's appointed Auditors will conduct audits of school generated funds. This will occur on a cyclical basis, so that each school is audited periodically. Through a financial reviewer, regular financial reviews of school generated funds will be undertaken. The financial review function reports to the Director of Education.

New Principal appointments require all financial information transferred to the new Principal and a review of current finances shall be completed by both Administrators.

## HARMONIZED SALES TAX

All items purchased through the school generated funds bank account, if one exists, are eligible for HST rebate as follows:

- A rebate of 93% of Provincial Sales Tax
- A rebate of 68% of Federal Sales Tax
- 100% of the HST paid on all purchases of text books and other published materials

To obtain a rebate of the HST paid on items purchased through school generated funds, or the Catholic School Council funds a HST rebate report must be prepared by the school.

Original invoices that support the amounts shown on the HST Rebate Claim must be kept on file at the school for audit purposes for a period of 7 years.

## CHARITABLE DONATIONS

The Canadian tax system encourages taxpayers to support the activities of registered charities by allowing a tax credit to be claimed by a donor.

## LOTTERIES AND GAMES OF CHANCE

A license from the Alcohol and Gaming Commission of Ontario (AGCO) is required for all lotteries and games of chance.

All licenses require that a separate trust bank account be used for revenue and expenses.

A condition of all licenses is that you report on the financial activity of the project.

## ENTERING INTO CONTRACTS

Board Administration, in consultation with schools, will determine the extent to which schools can enter into individual school contracts. Board policy, procedures, and administrative procedures will establish the parameters regarding the dollar amount and the duration of contracts into which schools can enter into a contract agreement.

## CATHOLIC SCHOOL COUNCIL

Under the Education Act Regulation 612, school boards in Ontario are required to establish a Catholic School Council for each school within the board. These Councils are advisory bodies that may make recommendations to the school Principal or the board on any matter. Many Catholic School Councils perform fundraising activities in the name of the school and as such are required to conform to the appropriate sections of Regulation 612 that deal with fundraising issues. The Principal is ultimately responsible for activities related to the school and therefore is also responsible for Catholic School Council activities.

Catholic School Councils are not to be incorporated. Any funds and assets generated through fundraising activities in accordance with Board policies and procedures assisted by the Catholic School Council are the property of the Board.

## BANKING PROCEDURES

- All funds generated through the Catholic School Council are the responsibility of the Principal of the school shall be deposited and disbursed through the school bank account.
- All monies generated will be counted by two (2) members of the Catholic School Council or with the assistance of a staff member and the total amount shall be recorded and initialed on the prescribed Deposit Voucher Form
- All monies accompanied by the Deposit Voucher form will be submitted to the school Principal or Principal's designate.
- The Principal or Principal's designate will then count the receipts and initial the Deposit Voucher Form indicating agreement with the amount to be deposited into the school bank account.
- The deposit will be kept secure in the school office and will be promptly deposited.
- Monthly bank reconciliations will be completed and retained in the school office.

## DISBURSEMENTS

Request for payment will be issued upon the completion of the Cheque Request Form supported by an original invoice(s) and/or receipt(s) and approval from the Principal and/or Principal's designate.

## FINANCIAL REPORT

Aligning with the fiscal year of the Board, Catholic School Councils annual financial report shall reflect the activities undertaken from September 1 to August 31 of the following year.

### *Catholic School Councils shall:*

- Record in each Catholic School Council meeting minutes that a financial report was presented and approved by the Catholic School Council members in attendance;
- Keep records of all financial transactions and make available at the school for examination without charge by any person for up to four (4) years; and
- Annually submit a written report on all fundraisers and activities to the Principal of the school and to the Board.

The Principal shall, on behalf of the Catholic School Council, provide the annual report to parents by posting the report in the school in a location that is accessible to parents.

### *References*

- [Alcohol and Gaming Commission of Ontario \(AGCO\)](#)
- [OASBO School Generated Funds Guidelines \(2009\)](#)
- [Ontario Regulation 612/00 – School Councils and Parent Involvement Committees](#)
- [Public Sector Accounting Board \(PSAB\)](#)

- *Niagara Catholic District School Board Policies/Procedures*
  - [\*Fundraising \(301.4\) AOP\*](#)
  - [\*Student Fees \(301.11\) AOP\*](#)

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