



School Funds – Fiscal Accounting and Reporting

A. School Funds

In accordance with the Public School Act, Subsection 56(4), the Board of Trustees of the Park West School Division affirms that the principal of each school may raise, hold, administer and expend monies designated as “school funds” for the purposes of the school.

Accordingly, the Board of Trustees charges the Secretary-Treasurer, and consequently school principals with the responsibilities for:

1. Ensuring that school funds are managed through prudent business practices, and
2. Maintaining accounting systems in accordance with generally accepted accounting principles and policies that have been approved by the Board.

School funds are comprised of two types of funds as described by the Schools' Finance Branch policy on school funds:

Type A school funds include monies from all fund raising activities of the school, such as walk-a-thons, selling candies, door, dances, hot dog sales, school pictures, bottle drives, car washes, raffles, auctions, etc., etc. As these monies are raised by the school, or under auspices of the school, through extra-curricular activities for the sole use of that school, they are not included in the school division's financial statements.

Type B school funds include allocations from the school division (per capita grants, budget allocations, specific purpose grants, etc.), vocational revenues (auto shop repairs and services, cosmetology, business ed. initiatives, etc.)

B. Responsibility

The Principal is responsible for all School Funds. Proper accounting consists of:

1. Following prescribed procedures in collecting, receipting, depositing, recording, disbursing and reporting school funds.
2. Maintaining complete and accurate records for all receipts and disbursements.

Although responsible, the Principal may have any other staff physically undertake these duties acting as a Treasurer.



C. Accounting Guidelines

1. Bank Account

- a) Bank account should be a chequing account.
- b) Accounts shall require two signatures on all cheques, one being the Principal and the second being a staff/student representative.
- c) Secretary-Treasurer is to be notified if a new bank account is established and advised of the purpose of the account.

2. Receipts

- a) Consecutively numbered receipts should be issued for monies received and retained as part of the school records.
- b) When a significant number of students are required to pay for a specific activity (i.e. ticket or candy sales, hot dog days, etc.) a Master Receipt may be used for the group.
- c) For events where cash collections are received, monies should be counted by the individual(s) and forwarded along with a signed record of the money collected to the School Secretary/Principal who will issue a receipt. The receipt is to be signed and dated by both parties and kept with the banking records. **Where a larger amount of cash is received, the money should be counted by two individuals and both individuals sign the record of money.**
- d) All funds are to be recorded in the financial records.

3. Deposit of Funds

Monies should be deposited on the day they are received. When this is not practical, the funds are to be safeguarded by the Principal or School Secretary.

In making a deposit the Treasurer will:

- a) Verify the deposit agrees with the total receipts issued.
- b) Note the date and deposit amount on the last receipt covered by the deposit
- c) Prepare a bank deposit slip in duplicate.
- d) The School's copy of the deposit is to be validated by bank stamp.
- e) Deposits are to be entered in the financial records.

4. Disbursements

Disbursements are to be for the benefit of the school or student body.

Disbursements for personal expenses that could be seen as a conflict of interest is prohibited. Purchases of Equipment and other large items should be made through the School Division to ensure compliance with the Division's Purchasing Policy and Procedures.



- a) All disbursement must be made by cheque, numbered and issued sequentially.
- b) Please record all GST paid when paying invoices unless you will be submitting a re-imbusement to the Division Office. In that case the Division Office will submit the GST.
- c) All cheques must have two signatures. The signing of blank cheques is prohibited.
- d) All vouchers must be supported by invoices or approved vouchers.
- e) All invoices should be matched with duplicate cheque and filed in cheque number order.
- f) Each cheque disbursement is to be recorded in the financial records in cheque number order so that a running bank balance can be maintained.
- g) Prepaid items or expense advances should be limited to unusual circumstances. If an advance is issued, a proper invoice or approved voucher must be attached to the duplicate cheque subsequent to the event.
- h) Miscellaneous items such as interest expense, interest income or bank charges are to be recorded in the financial records on a monthly basis.

5. Financial Reporting

- a) The bank statement shall be reconciled with the financial records on a monthly basis when received. The Principal is to review and sign the bank reconciliation, summary of receipts and summary of disbursements monthly.
- b) March bank reconciliation and March bank statements must be done and submitted to the Division Office by April 30 for the March Divisional Statement. The Division Office will print all necessary reports but it is the School Secretary's responsibility to submit bank statements for March.
- c) Detailed Category Summaries shall be printed monthly for school groups such as Student Council, Breakfast Club, Grad, Jump Rope for Heart, etc. Once the group representative has looked over the report they hand it back into the office with their signature verifying the report. The report will be filed in the office under the appropriate category. If the group rep would like a copy another report could be printed or a photocopy would suffice.

6. Retention of Financial Records

The following schedule specifies minimum periods for retaining the school funds records:

- a) Permanently
 - i. Annual Cash Receipts and Disbursement Statements
 - ii. Financial Report signed by Signing Officers
 - iii. Any legal documents or certificates (investments, etc.)



- b) Seven Years from the end of Fiscal Year
 - i. Cancelled cheques and bank statements
 - ii. Duplicate Deposit Receipts
 - iii. Bank Reconciliation
 - iv. Cash Receipts
 - v. Vendors invoices and vouchers attached to duplicate cheques
 - vi. Other financial summary reports

D. Audit of School Funds

The Secretary-Treasurer or designate will review compliance with this policy on an annual basis. All reports required by the Secretary Treasurer for June 30 year end shall be into the Division Office by September 30. The Division Office will print all necessary reports from the banking system. The school is responsible for submitting a letter signed by the Principal stating that all records are true and correct, June and July bank statements and the outstanding cheques report signed and dated by the Principal. The procedure undertaken to conduct this review is outlined below.

Audit Objective:

The division appointed Auditor shall provide a report verifying that these procedures have been followed and an opinion on whether or not receipt and disbursement statement fairly represents the school's funds for the year.

1. To determine that all payments are properly supported and recorded in the synoptic.
2. To determine that all monies received are recorded and properly deposited in the bank.
3. To determine that the synoptic is clerically accurate.

Monthly Procedures:

These monthly procedures shall be administered by the School Secretary/Principal to ensure that records are kept up-to-date and accurate for the auditor.

Objective Number 1

1. Check the continuity of the returned cheques.
2. Examine the returned cheques on a test basis and perform the following steps:
 - a) Agree the amount of the cheque to the amount recorded in the synoptic
 - b) See that the signatures on the cheques are the ones of the authorized signing authorities
 - c) See that the cheque is properly endorsed
 - d) Examine the invoices/vouchers supporting the payment and agree the payee and the cheque amount to the details on the invoice/voucher.
3. Check the Bank Reconciliation by:
 - a) Agreeing the bank balance to the bank statement



- b) Agreeing the total disbursement and total receipts to the final figures in the synoptic
- c) Checking the reasonableness of any reconciling items

Objective Number 2

- 1. Check the continuity of the cash receipts
- 2. On a test basis trace from the cash receipts to the synoptic
- 3. Agree the deposits recorded in the synoptic to the bank statement
- 4. On a test basis review the signed statements of monies collected and turned in to the treasurer and trace to receipts

Objective Number 3

- 1. On a test basis trace from receipt and invoice to synoptic to ensure consistency of posting
- 2. Ensure that the monthly statement is balanced

The Secretary-Treasurer may perform additional tests as deemed necessary to ensure the reasonableness and fairness in the reporting of the school funds.



School Banking Checklist

Information Required at Div. Office	Secretarial Duties	Division Office Duties	Reason
Regularly	<ul style="list-style-type: none"> Record GST on cheques when paying invoices (<i>unless you will be submitting to Div. Office for reimbursement then they will submit GST information</i>) 	<ul style="list-style-type: none"> Division Office will print the Tax Rebate Report and submit for GST rebate in January and June 	<ul style="list-style-type: none"> Your school will receive a GST rebate for all GST claimed
Monthly	<ul style="list-style-type: none"> Bank Reconciliations completed Principal to review and sign bank reconciliation, and any other monthly reports Clear stale dated cheques if possible Print Detailed Category Summary (<i>Report #2</i>) for your groups such as Student Council, Breakfast Program, Grad, etc. 	<ul style="list-style-type: none"> Run the District Level Reconciliation Date Report regularly to make sure reconciliations are completed monthly 	<ul style="list-style-type: none"> Good record keeping practices Better accountability and if a transaction gets posted to the wrong category it can be dealt with in a timely manner
By April 30	<ul style="list-style-type: none"> All stale dated cheques cleared up (<i>Choose Transaction Reports Various, then Outstanding Transactions Detailed by Date, Date Range: July 1, __ to present</i>) March Bank Reconciliation March Bank Statements (<i>submit these to Division Office</i>) 	<ul style="list-style-type: none"> Division Office will print all necessary reports from Kev Banking System 	<ul style="list-style-type: none"> March Divisional Statement
By September 30 or earlier	<ul style="list-style-type: none"> All stale dated cheques cleared up June Bank Reconciliation completed Letter signed by Principal stating that all records are true and correct June Bank Statement July Bank Statement Outstanding Cheques Report signed and dated by Principal Year End Rollover completed?? Data Verification Sheet (<i>filled in – Please submit with bank statements and Principal letter</i>) 	<ul style="list-style-type: none"> Year End Rollover completed?? Data Verification Sheet (<i>filled in – Please submit with bank statements and Principal letter</i>) Division Office will print all necessary reports from Kev Banking System 	<ul style="list-style-type: none"> Audit of School Funds by Divisional Appointed Auditor This Audit must be completed by Oct 15 Having your school banking records into us in a timely manner ensures the auditor has ample time to process the audit. This audit must be completed before the Division wide audit