

SCHOOL FUNDS

Definitions

1. School generated funds: A school generated fund is defined as any bank account or fund of money that is under the care and control of school staff.

School generated funds are funds that are raised in the community that come under the control and responsibility of the school principal and are for student activities. These funds are collected and managed at the school for expenditures paid at the school level.

2. School remittable funds: A school remittable fund is defined as any fund remitted to Division Office to cover expenditures which are charged against the school budget and accounted for centrally. These funds are included in the calculation of the school's budgetary surplus/deficit. A school remittable fund may also, on occasion, include funds collected at the school level on behalf of other departments of the Division (for example, facility rentals or bus passes).
3. School retained funds: A school retained fund is any fund collected for a specific purpose or activity, and is retained at the school. Expenditures for these activities are paid by the school and charged against the revenues in the school's accounts.
4. School in-trust funds: A school in-trust fund is any fund administered by the school, but which is due to another party. Primary examples include professional development funds and petty cash advancements.

Examples of Funds

Item	School Generated Fund	School Remittable Fund	School Retainable Fund	School In-Trust Fund
Textbook rental fees	√	√		
Yearbook sales	√		√	
Professional development revenues/expenses	√			√
Petty cash (advanced from Division office)	√			√
Sports team fees	√		√	
Home Economics/Industrial Arts fees	√		√	

Internal Control Governance at the School Level

To facilitate school based bookkeeping of school generated funds and to ensure compliance with audit requirements, each school in the Division shall implement internal controls over the administration of its school generated funds. The following provides a minimum guideline for schools.

Internal Controls

All school bank account names must include the name of the Golden Hills School Division and the name of the bank account if the school operates more than one bank account.

School bank accounts must be named using the following descriptive format – “Golden Hills School Division - _____ School” and “Name of Account” for example:

Golden Hills School Division – Westmount School – Yearbook Account

1. Number of bank accounts

As prescribed in Administrative Procedure 510 – Accounting for School Funds each school may operate a maximum of two bank accounts. During the course of a year, temporary cash surpluses may be invested for short periods in savings accounts or term deposits at a chartered bank, credit union, or the Alberta Treasury Branch.

2. Signing authorities

Each disbursement from a school generated fund requires two signatories. One shall be the Principal and the other shall be another staff member.

3. Responsibility of the Principal

Ultimately, the care and control of the school generated funds rests with the Principal. Specific duties are spelled out in Administrative Procedure 510 – Accounting for School Funds.

4. Controls required over cash being handled and on hand

The Principal shall be responsible to ensure that all funds collected in or for a school are receipted, recorded and accounted for, and taken to the proper location for deposit without delay. Bank deposits must be made as frequently as possible to avoid accumulating cash in schools.

During school hours:

Cash shall be kept in a cash register, lockable drawer or lockable cash box and access must be restricted to individuals designated by the Principal.

Cash boxes shall be kept out of sight in a secure place when not in visual custody of the person responsible for the money.

After normal school hours:

Cash remaining in the school shall be locked in the vault or in as secure a location as possible within the school.

Cash shall not be taken home by staff members, nor carried on staff members' persons for safekeeping.

All funds collected for school purposes shall be counted, recorded and turned over to the school office each day so that a formal record of all funds received can be prepared.

Combinations on school vaults/safes shall be changed a minimum of once every three years or if there is a change in staff.

5. Depositing controls and requirements

Wherever possible, the responsibility for receipting cash and for depositing cash shall be segregated between two staff members. However, recognizing the dilemma of small schools and limited staff, as a minimum the deposit shall be verified to the receipt records by another staff member.

6. Controls required for disbursements of funds and supporting documentation:

- 6.1 All disbursements shall require either a supplier invoice or a substantiating document to explain the reasons, amount, etc. of the disbursement.
- 6.2 Records of each disbursement, with substantiating documentation, shall be filed in sequential order.
- 6.3 Each disbursement shall require the signature of both signatories.

7. Controls over reconciling bank accounts to financial records

The bank accounts shall be reconciled each month, verifying all deposits and disbursements and determining all outstanding items.

Reference: Section 60, 61, 147, 149, School Act