



## ADMINISTRATIVE GUIDELINE

### **Title: Accounting for Non-Board School-Based Funds**

**Effective Date: November 1, 2002    Responsibility: Superintendent of Business**

#### **1.0    Rationale**

School generated funds represent an increasing percentage of annual revenues for each school. Changing attitudes in society require public officials to be increasingly accountable for all types of public funds. With changes in government funding, schools rely increasingly on community fund raising to sustain some level of supplementary funding. The result is significant growth in the revenues managed at school levels. Fund raisers need timely reporting and financial statements, and systems to ensure reliable tracking of revenues and expenditures. “Shoebox” accounting for school-based funds is no longer an option.

It is probably interesting to note that many Canadian school boards have not yet articulated and/or adopted guidelines with regard to school-based funds. There will be an increasing demand for this to change, as the amounts of money involved increase and as people ask increasingly more questions about these funds. School administrators will be held accountable by the Board and the community for all of these funds, whether or not they have had any direct contact with either their source or how they are spent.

Therefore it is the position of the Near North District School Board that school administrators must adopt guidelines and develop procedures to ensure a complete and secure audit-trail and thus safeguard integrity of these funds. This is the premise for the development of a specific administrative guideline with regard to the accounting of school-based funds. The guideline is meant to specify who is responsible for school-based funds, to identify and define various types of funds and detail the key tasks to be done, the extent of the authority that has been allocated, relevant regulations (rules) and basic procedures to be followed to achieve required outcomes. Examples of outcomes would be the timely and accurate reporting, a complete and secure audit trail, and the ability to show clearly that all funds have been expended according to the purpose for which they were collected.

## 2.0 Introduction

Non-Board School Based Funds are those funds raised or collected through school or parent administered fundraising groups, from sources other than the operating or capital budgets allocated to schools from Ministry grants. These funds can be derived from:

- fundraising activities
- contributions/donations
- corporate contracts/partnerships
- students for cost recovery on specific trips, functions and/or programs not provided within the academic operating budget as defined by the funding formula

The accountability for the collection and disbursement of non-board school based funds rests with the principal of the school. The school principal has direct authority, responsibility and accountability for the management of such locally raised funds. The principal is directly accountable for ensuring that the purposes of the fundraising and the ultimate expenditure of the funds are in compliance with board guidelines. The principal is responsible for ensuring that the school community is generally consulted and/or informed on the ultimate use of the funds. The nature of the consultation/informing and with who has been left to the professional judgment of the principal. The extent of reporting to and review by the board of these funds has been based upon the availability of resources of each individual board, as well as, the interpretation as to who is responsible for the funds.

The public and the Ministry of Education are currently requiring more open accountability with regards to funds raised in the school community, as noted in the Regulation 612 for School Councils issued in April 2001 (Appendix 2 – excerpt). The section of the regulation related to school fundraising, clearly indicate that the council must ensure that:

- the fundraising adheres to board administrative guidelines
- the fundraising activities be approved by the school board or authorized by board administrative guidelines
- funds are used in accordance with board administrative guidelines
- there is consultation with parents and principal
- a report on fundraising activities is submitted to the principal, who on behalf of the school council, will provide the report to the parents of pupils enrolled in the school.

This regulation indicates that the board has responsibility for the fundraising activities of the School Council through its guideline on fundraising.

The direction of these regulations highlights the necessity for the school boards to develop and/or enhance their guidelines and operational procedures regarding the administration of the non-board funds. This step will confirm the board's commitment to confirm public expectations and validate the public trust.

### **3.0 Objectives and Purpose**

The objective of this document is to provide guidelines on fundraising, as well as standard administrative procedures to assist the schools on the administering, recording and reporting of the various types of funds and expenditures flowing through the non-board school fund accounts.

#### **3.1 Guidelines on Non-Board School Based Fundraising should define:**

- 3.1.1 the guideline definition of non-board school based funds
- 3.1.2 approved fundraising groups
- 3.1.3 the purpose and objectives of non-board school based fundraising
- 3.1.4 sources of non-board school based fundraising
- 3.1.5 approved use of funds
- 3.1.6 responsibility for approval of fundraising
- 3.1.7 administration of funds and reporting
- 3.1.8 reporting
- 3.1.9 expectations on fundraising

#### **3.2 Standard Administrative Guideline should provide:**

- 3.2.1 Standard procedures which will allow for continuity of process when changes occur at both the administration and support levels of a school.
- 3.2.2 Consistent internal controls which will assist in the reporting, reviewing and auditing functions.
- 3.2.3 Consistent internal controls to maintain community trust in the management of fiscal areas.
- 3.2.4 Consistent, timely and accurate reporting as required.
- 3.2.5 Key tasks to be performed and how to perform them.

**Refer to Appendix 1 for recommended processes.**

### **4.0 Guidelines on Non-Board School Based Funds**

#### **4.1 Guideline Definition of Non-Board School Based Funds:**

Non-Board School Based Funds are those funds raised or collected through parent administered or school administered fundraising groups, from sources other than the operating or capital budgets of the Board. These funds can be derived from fundraising activities, contributions/donations, corporate contracts/partnerships or directly from students for cost recovery on specific trips, functions and/or programs not provided within the academic operating budget as defined by the funding formula.

#### **4.2 Approved Fundraising Groups:**

The approved fundraising groups are defined as follows:

##### **4.2.1 Parent and School Community Administered Fundraising Groups:**

Any fundraising group involving parents such as a School Council or Parent Support Group who may raise funds for the school with the approval of the board or through government regulations. The funds raised by this group are identified

as parent administered non-board funds if the parents have sole signing authority. These groups are independent and maintain their own bank accounts. In some cases the council may give the money directly to the school to administer.

#### **4.2.2 School Administered Fundraising Groups:**

Any fundraising group involving students and staff approved by and responsible to the principal. The funds raised by this group are identified as school administered non-board school based funds if the staff, students and/or administration have signing authority.

The School Administered Fundraising Groups generally include the following categories but are not limited to:

##### **4.2.2.1 Student Category:**

The elected student council generally co-ordinates, with the approval of the principal, most student fundraising activities. The council, with the guidance of a staff moderator, would have responsibility for the administration and use of all funds raised through their activities.

##### **4.2.2.2 Departmental Category:**

Staff members of a specific department or grade level, with the prior approval of the principal, may collect or raise funds for departmental or grade level requirements and objectives. The funds are generally for field trips, team events, department events, or to cover costs of specific academic kits not covered by the budget.

##### **4.2.2.3 General School Category:**

This category represents funds collected or raised on behalf of the entire school community. The principal, in consultation with the school community or through board administrative guidelines determines the use of funds.

The funds included in this category are generally:

- 4.2.2.3.1 school generated funds i.e. cafeteria, vending commissions,
- 4.2.2.3.2 funds raised by the total school community to supplement activities within a school
- 4.2.2.3.3 community generated funds – funds received from School Council,
- 4.2.2.3.4 contributions/donations for scholarships, awards, and equipment/supply purchases.

#### **4.3 Purpose and Objectives of Non-Board School Based Fundraising:**

All fundraising activities shall be related to educational, humanitarian, charitable or service activities consistent with the education of students. It is the belief that fundraising can be a positive learning experience which can reinforce values consistent with the goals of education, as well as foster school spirit and co-operation.

School fundraising is a local school activity, and the goals of the fundraising should go beyond money to reflect the creative and collaborative efforts of parents, students, teachers and the community. The underlying belief is that it is not the responsibility of parents or school communities to raise funds for basic educational requirements but rather that school communities may raise funds to enhance program and support school initiatives.

#### **4.4 Sources of Non-Board School Based Fundraising:**

The following are some of the more common and approved sources for fundraising currently used by various school fundraising groups:

##### **4.4.1 Fundraising activities:**

- 4.4.1.1 Pizza days
- 4.4.1.2 Dress down days
- 4.4.1.3 School plays and concerts
- 4.4.1.4 School dances
- 4.4.1.5 Juice and milk sales
- 4.4.1.6 Non text book sales
- 4.4.1.7 Special school luncheons
- 4.4.1.8 Approved fundraising product sales (e.g. cookies, cheese, chocolate bars, fruit, etc)
- 4.4.1.9 Bingos and sale of Nevada tickets
- 4.4.1.10 Other activities

For fundraising activities requiring licensing (i.e. Lottery Licenses) it is the responsibility of the school principal to secure the proper licensing prior to any fundraising activity. It is then the responsibility of the principal to conduct the fundraising activity in accordance and in compliance with licensing terms and conditions. It is also the subsequent responsibility of the principal for all legislated reporting to the licensing agency.

##### **4.4.2 Approved contracts and/or partnerships**

- 4.4.2.1 Vending machine contracts
- 4.4.2.2 Food kiosk contracts
- 4.4.2.3 Partnerships for the purpose of fundraising and/or program support such as bingos, Nevada ticket sales

##### **4.4.3 Other Sources:**

These are generally funds collected from students for specific expenditures related to school activities or programs, which are not provided through the board budget process. In some cases this may represent full or partial cost recovery.

These include but are not limited to:

- 4.4.3.1 field trip monies collected for specific field trips;
- 4.4.3.2 student activity fees to cover yearbooks, locks, etc;

- 4.4.3.3 fees for certain types of materials not covered through the budget such as reeds for music instruments, safety glasses for science, woodworking or shop and art kits, etc;

#### **4.4.4 Public Donations:**

These are funds contributed directly to the schools from various organizations or individuals.

The schools accept only those funds which support the Board's Mission and ENDS and are in accordance with board policies, procedures and guidelines. The contributors usually advise the schools as to the purpose of the funds. Some approved types of contributions are as follows:

- 4.4.4.1 contributions for graduation awards and scholarships (refer to Board guideline on Receipts and Disbursements of a Registered Charity)
- 4.4.4.2 contributions to assist the school in purchasing specific items (e.g. computers, music instruments, library books, etc)

**(If the contributor requests a charitable receipt, the school must follow the procedures as noted in the Administrative Guideline entitled "Receipts and Disbursements of a Registered Charity"). Donations made to individual schools that are not registered or a charity with Canada Customs and Revenue Agency are not eligible for charitable donation income tax receipts.**

#### **4.5 Approved Use of Funds:**

- 4.5.1 Fund expenditures must be used for the benefit of the school and must be in compliance with board administrative guidelines and procedures.
- 4.5.2 It is the responsibility of the principal to ensure that funds are expended for the purposes for which they were collected and that the purpose is in accordance with board administrative guidelines.
- 4.5.3 It is recommended that a steering group consisting of staff representatives, student representatives (if applicable), a school council representative and chaired by the principal, be established to advise on the expenditure of these funds (if applicable). The intended use of these funds must be clearly defined prior to the commencement of any fundraising activity.
- 4.5.4 If contributions are received or funds are raised for a specific building maintenance or improvement item and/or for the purchase of equipment or furniture, it is recommended that the principal advise the appropriate members of the school community of the intended use of funds.

All capital equipment purchased from school generated funds as well as donated equipment becomes the property of the school.

In some instances prior approval may be required from various members or departments within the Board. For example, prior to purchasing playground equipment, the principal must contact the Board's Health and Safety Officer regarding safety standards and requirements to ensure any equipment purchased

meets safety standards and that the equipment can and will be placed in school grounds in a safe, secure manner.

- 4.5.5 The use of funds from approved contracts (4.4.2 above) must be clearly defined.
- 4.5.6 The resources generated through fundraising activities should be used within a two-year period, in order for the affected students to benefit, unless designated for a specific project. A description of the funds raised and used for the specific project must be reported annually to the appropriate groups.
- 4.5.7 Unacceptable uses of non-board school based funds would be expenditures that the students or school community would not directly benefit from.
- 4.5.8 Schools are permitted to use the “Principal Receivable Accounts” set up at the Board level to make purchases and take advantage of GST rebate received by the Board. To take advantage of this, schools must follow the Board’s purchasing guideline and forward funds for the full amount of the purchase along with a purchase order to the Board office.

#### **4.6 Responsibility for Approval of Fundraising:**

It is the responsibility of the school principal on behalf of the board to ensure that all fundraising activities involving students and/or the school are in compliance with board administrative guidelines.

Principals may grant approval to raise money for, and/or otherwise participate in fundraising in support of external organizations as defined in the Fundraising Administrative Guideline. Fundraising for all other external organizations requires the approval of the principal and the Superintendent of Program and Schools.

#### **4.7 Administration of the Funds and Reporting:**

Responsibility for the administration of the non-board school based funds is dependent upon the following:

##### **4.7.1 School Administered Fundraising Groups:**

Refer to paragraph 4.2.2 for previously defined definition of school administered fundraising groups. The funds raised or collected by this group must be administered by the principal. The principal may delegate or approve a volunteer to maintain the accounting records and perform administrative duties. In the event that a volunteer has been approved to maintain such records, a Criminal Reference Check must be provided.

##### **4.7.2 Parent and School Community Administered Fundraising Groups:**

Refer to paragraph 4.2.1 for previously defined definition of parent administered fundraising groups. This group has responsibility for the administration of these funds. It is suggested that persons responsible for the administration and record keeping of such funds provide the Council with a criminal reference check.

#### **4.8 Reporting:**

The financial position and yearly accounting of non-board school based funds must be communicated to the students, school council, the board and the parents of the students,

whether the funds are administered and controlled by the school or board approved group.

The report must be submitted on an annual basis covering the school fiscal year from September 1<sup>st</sup> to August 31<sup>st</sup>. The report must disclose the purpose and nature of the canvassing and fundraising activities and include a balance sheet, a detailed income statement and bank reconciliation with an outstanding cheque list.

The report may be reviewed by either the board's internal staff of the finance department or by the board's external auditors. The Finance department is responsible for conducting internal reviews of the non-board school based fund accounts of all elementary and secondary schools on a rotational basis. Priority will be given to schools where the principal is leaving the system.

#### **Reporting of Lost, Stolen or Alleged Misappropriations of Funds**

Lost funds should be reflected in the annual financial statements submitted to the Finance Department with a commentary explaining the lost funds. Should any persons associated with non-board school based funds either suspect or discover that there has been stolen funds or suspects a potential alleged misappropriation of non-board school based funds such must be reported to the principal. It is then the principal's responsibility under all circumstances to report the situation to either the Manager of Finance or Superintendent of Business. Under no circumstances should such situations be ignored or resolved independently of the involvement of the senior administration.

#### **4.9 Expectations on Fundraising:**

The following guideline should be followed:

- 4.9.1 Door-to-door canvassing is discouraged for junior elementary students.
- 4.9.2 For safety reasons, it is recommended that secondary students work in a minimum group of three students and during daylight hours when fundraising in a public forum.
- 4.9.3 That products used for school fundraising be of good quality and provided by reputable companies. School communities must be mindful that products are appropriate for student consumption or use in keeping with the school community's standard of propriety, and are reflective of the values held by the board.
- 4.9.4 All canvassing and fundraising shall be conducted at the discretion of the principal and shall be carefully considered to ensure that they do not interfere with the delivery of program; do not become a burden on the community, parents or staff; and do not occur too frequently.

**Procedures and Internal Controls for Administering  
Non-Board School Based Funds**

**1.0 Parent and School Community Group Administered Non-Board School Funds:**

Parent and school community groups shall report annually on funds raised through the school and/or raised using the name of the school for the benefit of the students and school community.

Accounting for funds raised by these groups is the responsibility of the group. This group must submit Annual Financial Statements to the school principal. The school principal will share this information with the parents of the school community.

A copy of the Annual Financial Statements will be submitted to the Finance Department.

It is recommended that these groups follow the board guidelines on the recording and reporting of the Non-Board School Based Funds as outlined below.

**2.0 School Administered Non-Board School Funds:**

The Board through its staff is responsible to ensure that money received from fundraising activities or other sources administered by staff and/or students is controlled through proper accounting procedures to ensure accountability of funds raised.

**2.1 General Administrative Procedures:**

- 2.1.1 The principal shall ensure that proper accounting records are maintained for all revenues and expenditures for all funds raised and/or collected on behalf of the school. The record keeping, reporting and controls should be simple and follow the basic guidelines. (See 2.2 below).
- 2.1.2 Each principal shall provide a “Summary of Financial Activity” to the Finance Department on an annual basis for the fiscal period of September 1<sup>st</sup> to August 31<sup>st</sup>. (See 2.2 below).
- 2.1.3 It is recommended that one bank account in the name of the school and the board be used for all the non-board school administered funds.
- 2.1.4 The principal should ensure that the monthly bank statement is picked up personally or is mailed direct and unopened to him/her. On receiving the statement the principal “or designate” should scrutinize the statement and ensure that all cheques and debit memos have been enclosed. If there are any large and/or unusual items, the principal shall pursue a satisfactory exploration. Once

- 2.1.5 checked, the bank statement shall be given to the person responsible for preparing the monthly bank reconciliation.
- 2.1.6 The various sources of funds included in a single chequing account should be identified as separate categories (accounts) in the accounting records. (e.g. student activity fees, field trips, etc.).
- 2.1.7 A monthly bank reconciliation should be prepared by the fund administrator or designate and approved by the principal.
- 2.1.8 All school bank agreements must indicate that a minimum of two signing authorities is required for a cheque to be cleared through the bank. Therefore, all cheques require at least two signing authorities, one of whom must be the principal or vice principal. The format requiring any two of three identified signers is the most flexible arrangement.
- 2.1.9 No blank cheques are to be signed. All signing officers have a fiduciary responsibility to ensure payments are supported with the appropriate documentation prior to signature.
- 2.1.10 Surplus funds not immediately required may be invested in suitable interest bearing investments under the name of the school and controlled through the principal. These interest-bearing investments shall be for no longer than one year and should only be invested in non-risk investments such as Canada Savings Bonds, short-term guaranteed investment certificates and term deposits.
- 2.1.11 All contracts for fundraising or other forms of financial support exceeding a period of one year and/or automatically renewable after one year must be reviewed and noted on your annual report to the Finance department.
- 2.1.12 Monies received for scholarship or similar purposes must be segregated from the non-board school funds and administered centrally by the board through its registered charity should donators of such funds request a charitable income tax receipt.
- 2.1.13 The Board is to be reimbursed for material costs, where the school uses material amounts of school goods and services for money raising activities or where it provides goods or services which are incorporated into articles or services which sold to raise funds. Petty cash and purchasing cards cannot be used to supplement or support fundraising activities.
- 2.1.14 Supporting receipts and vouchers, accounting records, bank statements and cancelled cheques as well as deposit books must be retained at the school for a period of seven years.
- 2.1.15 The financial records and statements controlled by the principal may be subject to internal review by the Finance department or external audit by the Board's auditors.
- 2.1.16 The school is permitted to pay accounting associated costs and fees from the non-board funds to support and maintain the accounting records.

2.1.17 Where possible, a division of duties is required in order to maintain adequate internal controls. At a minimum, where staffing permits, the following activities should be performed by at least three different individuals:

- 2.1.17.1 Collecting and counting monies;
- 2.1.17.2 Making up deposit slips and depositing money;
- 2.1.17.3 Signing the school cheques;
- 2.1.17.4 Maintaining the accounting records.

It is recognized that staffing issues may preclude the use of separate individuals.

- 2.1.18 In order to assist schools in controlling and reporting these funds and expenditures, the board has received CA\$CH (Cash Accounting for Schools) software to be utilized. In the event that schools are already using an automated accounting package that meets the needs of this administrative guideline and provides sufficient controls and reporting, it would not be necessary to have to convert to Cash Accounting for Schools. If utilizing automated computer accounting software it is recommended that data be backed up on a regular basis.
- 2.1.19 Staff assigned to the bookkeeping function for the non-board school based funds should receive training.
- 2.1.20 The principal should review the status of non-board school based funds on a regular basis.

## **2.2 Record Keeping/Reporting Guidelines and Controls:**

It is recommended that the following areas be separated in your accounting records:

- 2.2.1 Student activity fees;
- 2.2.2 Other fees – field trip, workbook, etc;
- 2.2.3 School generated funds;
- 2.2.4 Community generated funds.

Each principal shall provide a “Summary of Financial Activity” to the Finance department on an annual basis for the fiscal period of September 1<sup>st</sup> to August 31<sup>st</sup>, within 60 days.

The report must include:

- 2.2.5 Summary of total receipts and expenditures by major categories;
- 2.2.6 Balance of available fund by category for use in the next year;
- 2.2.7 Final bank reconciliation with a copy of the bank statement and a detailed list of outstanding cheques and deposits;
- 2.2.8 Detailed transaction listing for the year;
- 2.2.9 Any investments related to the funds;
- 2.2.10 Any pre-committed items for the next years, etc. Yearbooks, etc.
- 2.2.11 Balance Sheet
- 2.2.12 Income Statement (Statement of Receipts and Disbursements)

## **2.3 Banking and Accounting Guidelines:**

### **2.3.1 Bank Account:**

- 2.3.1.1** It is recommended that all school administered non-board school funds be maintained through one central bank account under the name of the school.
- 2.3.1.2** All school receipts (cash and cheques) are to be deposited into this bank account. All disbursements (payments) from this account are to be made by cheque only and supported by receipt or invoice.
- 2.3.1.3** To ensure that school funds are protected under the Federal and Ontario deposit insurance plans, the school's bank balance with any single financial institution should not exceed \$60,000. Excess funds not required for day-to-day operations should be invested as per paragraph 2.1.9.
- 2.3.1.4** An accounting software package will allow you to control fund balances for the different categories as defined by your school community (e.g. juice fund, drama club, etc.). It is not necessary to use a different bank account to accommodate the different fund categories.
- 2.3.1.5** The bank account should provide monthly statements and returned cheques (no bank passbooks).
- 2.3.1.6** Bank reconciliation should be completed and approved by the principal on a timely basis (monthly if possible).

### **2.3.2 Signing Authorities:**

- 2.3.2.1** All cheques must be signed by two signing authorities, one of whom must be the principal or vice principal.
- 2.3.2.2** It is recommended that the bank account have at least three signing authorities, one of whom must be the principal or vice principal to facilitate the cheque signing process.
- 2.3.2.3** No cheque should be pre-signed unless the payee, date and specific amount has already been completed with supporting documentation.
- 2.3.2.4** Signature stamps must not be used.

### **2.3.3 Bookkeeping System:**

#### **2.3.3.1 General:**

- 2.3.3.1.1 The bookkeeping system should ensure that all cash receipts and expenditures are recorded and allocated to specific non-board school fund ledger accounts.
- 2.3.3.1.2 A basic accounting package is recommended for use by all schools for the recording of transactions and balances. Such a package provides for automatic balancing, reporting and bank reconciliation.
- 2.3.3.1.3 The principal should review the status of the non-board school based funds on a regular basis.
- 2.3.3.1.4 The principal should ensure that the guidelines related to the segregation of duties are implemented with consideration of available resources.
- 2.3.3.1.5 The principal should ensure that the annual financial statements for submission to the Finance department are prepared, reviewed and submitted on a timely basis. The principal is responsible for signing off/approving the financial statements prior to submitting to the Finance department.
- 2.3.3.1.6 Staff assigned to the bookkeeping function for the non-board funds should receive training.

#### **2.3.3.2 Disbursements:**

- 2.3.3.2.1 All expenditures should be supported by original receipt approved by the principal. This supporting documentation verifies that the expenditures are approved prior to the issuance of a cheque or cash.
- 2.3.3.2.2 A cash advance (a cheque issued in advance of an expenditure submitted for payment) must be authorized and approved by the principal prior to the disbursement. Subsequently, a copy of the original receipt supporting the advance is to be provided to the principal with any excess funds greater than the advance deposited back into the bank account. It is recommended that cash advances are discouraged.
- 2.3.3.2.3 No payments should be made without proper supporting documentation.
- 2.3.3.2.4 Cheques should be pre-numbered and purchased in sufficient quantity to preclude duplicate cheque numbers in a current year.
- 2.3.3.2.5 The cheque number that is issued for a payment should be noted on supporting documentation.
- 2.3.3.2.6 Unused cheques should be controlled by one person and stored in a locked cabinet or desk.
- 2.3.3.2.7 The cheques should be prepared by one individual to ensure that all payments are recorded and that adequate

- 2.3.3.2.8 controls exist to assist in the prevention of duplicate and unsupported payments.
- 2.3.3.2.9 The payment should be entered into the accounting system when the cheque is written. This ensures a continuous control over the funds available for use through the accounting system.
- 2.3.3.2.10 Cash disbursements should be strongly discouraged. All disbursements should be made in the form of a cheque to ensure a strong audit trail.

Lost or stolen non-board funds shall not be replaced through Board funds. Any lost or stolen funds should be reflected in the annual financial statements submitted to the Finance Department.

### **2.3.3.3 Cash Receipts:**

- 2.3.3.3.1 Division of duties is desirable where staffing allows.
- 2.3.3.3.2 The individual or individuals responsible for fundraising activities or the collection of cash should prepare a Cash Receipts Summary in duplicate. This information with the cheques and cash attached should be given to the individual responsible for depositing the funds. The second copy should be given to the bookkeeper to verify the deposit.
- 2.3.3.3.3 The bank deposit should be completed by an individual who is not responsible for the issuance of cheques, the recording of transactions in the records or the collection of the funds, where staffing allows so.
- 2.3.3.3.4 The individual responsible for the deposit should prepare a summary of all the cash summaries received and prepare the bank deposit. This summary should be the source document for recording the cash transaction into the accounting records. The bank deposit should be directly traceable to the accounting records.
- 2.3.3.3.5 The cash receipts summary document with the stamped deposit slip should be given to the bookkeeper to record the transaction in the records.
- 2.3.3.3.6 Cash should be deposited on a timely basis.
- 2.3.3.3.7 If cash is not deposited on the day of receipt, then it should be taken to the main office and given to the individual responsible for the deposits. This individual should sign for, log the information and secure the funds in a safe or locked cabinet under their control or the control of the principal.
- 2.3.3.3.8 Fund raiser reconciliation procedures should be used to ensure that funds received/raised are equivalent to expected funds. (e.g. pre-numbered tickets can be used to verify that monies collected reconcile to tickets issued and not returned).

### **2.3.3.4 Month End Guidelines:**

2.3.3.4.1 A bank reconciliation should be performed monthly by the fund administrator or designate and reviewed and signed off by the principal.

2.3.3.4.2 Before authorizing, the principal shall check the previous statement ending balance and current month's statement opening balance, the balance on the bank statement (closing), the reconciled bank balance (closing) and all reconciling items on the statement. If satisfied as to the accuracy, the reconciliation shall be dated and authorized. The bank reconciliation is an extremely important control feature and shall not be delayed.

It is recommended that the principal or "designate" should open the bank statement when it is received and review all cancelled cheques prior to handing information to person responsible for the completion of the bank reconciliation. (Refer to 2.1.4 for details).

2.3.3.4.3 Stale dated cheques are those cheques which have not been cashed through the bank and are over six months old and no longer valid. These cheques should be reversed from the system and a listing of reversed cheques prepared for the principal.

2.3.3.4.4 A monthly ledger reconciliation should be completed to ensure that the entire ledger is in balance and nothing has been posted incorrectly.

## **Excerpt from Regulation 612 for School Councils**

### **Fundraising**

22. (1) Subject to subsection (2), a school council may engage in fundraising activities. O. Reg. 612/00, s. 22 (1).
- (2) A school council shall not engage in fundraising activities unless,
- (a) the activities are conducted in accordance with any applicable policies established by the board; and
  - (b) the activities are to raise funds for the purpose approved by the board or authorized by any applicable policies established by the board. O. Reg 612/00, s 22 (2).
- (3) A school council shall ensure that the funds raised by it are used in accordance with any applicable policies established by the board. O. Reg. 612/00, s. 22 (3).

### **Consultation with Parents**

23. A school council shall consult with parents of pupils enrolled in the school about matters under consideration by the council. O. Reg. 612/00, s. 23.

### **Annual Report**

24. (1) Every school council shall annually submit a written report on its activities to the principal of the school and to the board that established the council. O. Reg. 612/00, s. 24 (1).
- (2) If the school council engages in fundraising activities, the annual report shall include a report on those activities. O. Reg. 612/00, s. 24 (2).
- (3) The principal shall, on behalf of the school council, give a copy of the report to every parent of a pupil who, on the date the copy is given, is enrolled in the school. O. Reg. 612/00, s. 24 (3).
- (4) Subsection (3) may be complied with by,
- (a) giving the report to the parent's child for delivery to his or her parent; and
  - (b) posting the report in the school in a location that is accessible to parents. O. Reg. 612/00, s. 24 (4).

### **Transition**

- (25) Every school council established by a board before this Regulation comes into force is continued. O. Reg. 612/00, s. 25.