

# SCHOOL GENERATED FUNDS

## Background

The Board of MECCS 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 school generated funds.

## Definition

School Generated Funds (SGF) are funds raised in the school and community that come under the control and responsibility of the 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 60 of the *School Act* are not school generated funds, nor does registered society revenue fall under the definition of school generated funds.

## Procedures

1. The Principal is accountable for all SGF collected at the school; and the funds shall be adequately safeguarded through standardized accounting procedures and controls. SGF shall be accounted for in a manner consistent with the Board's accounting procedures. These procedures have been put in place to direct and protect fund-raisers, parents, school staff and principals 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).

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4. SGF shall not be used for the direct benefit of the school staff.
5. A report will be developed and reviewed annually, detailing each category of SGF funds and their purpose.
6. All transactions shall be controlled and recorded in the school's accounting system and bank account and be subject to annual audit by MECCS' internal and external audit.
7. The Principal may contact the Secretary-Treasurer to request an audit of school accounts.
8. School financial records should be reviewed in the event of a change of school administration.
9. The Principal and staff shall not have signing authority or financial responsibility for groups choosing to administer their funds independently.

### **Supplemental Guide**

To facilitate school based bookkeeping of school generated funds and to ensure compliance with audit requirements, the school shall implement internal controls over the administration of its SGF.

1. In order to ensure that records are up to date, if a SGF bank account is opened, it shall have the prior approval of Secretary-Treasurer.
2. A minimum of two signing officers, one of whom is the Principal, shall be required on all bank accounts.
3. Only one bank/financial institution account in the name of the school shall be used for all SGF.
4. The Principal shall provide the Secretary-Treasurer and the school bookkeeper, at the start of each school year, or when a fund category is established, with information regarding the name and purpose of that fund.
5. The school office shall issue receipts for all monies received.
6. When funds, other than donations, are collected in classrooms, a summary list shall be remitted with the funds to the school office.
7. All cash received shall be reconciled to the receipts and deposited in the school bank account on a regular basis. Any cash in the school shall be kept in a safe or locked cabinet. The school should make arrangements to utilize night deposit services when necessary. A deposit shall be made as frequently as necessary, but not less than weekly.

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8. 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. Records of expenditures shall be kept on file at the school for audit purposes.
9. 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.
10. All payments shall be made by cheque. Under no circumstances are blank cheques to be pre-signed.
11. The Principal shall authorize all transfer of funds. Written records of this authorization shall be kept at the school for audit purposes.
12. Schools must maintain full SGF accounting records for seven years.

Adopted: June 2011

Amended:

Due for Review: