

Administrative Procedure 511

MANAGEMENT OF SCHOOL-GENERATED FUNDS

Background

The activities of schools often involve the collection and management of funds, both retained at the site and/or remitted to Division Office. Ensuring these funds are appropriately accounted for is an important responsibility of the Division.

The Secretary Treasurer will implement a program of internal audits to ensure that generally accepted standards of accounting practice have been applied to the management of all funds collected by schools.

Procedures

1. The Principal is responsible for the administration and safeguarding of all school-generated funds. All transactions must be recorded in the Books of Account of the school.
2. Assistance in establishing budgets, proper accounting records and the maintenance thereof will be provided by the Secretary Treasurer or designate, as required.
3. An annual financial report for the school year (September 1 to August 31) shall be submitted to the Secretary Treasurer by the following September 15. Principals will keep records of all funds/fees collected at the school level as well as records of the expenditure of these funds. The following sets of books shall be maintained at the school level:
 - 3.1 Cash receipt records.
 - 3.2 Deposit records.
 - 3.3 General ledger.
 - 3.4 Cheque register.
 - 3.5 Files of invoices paid, with adequate documentation to trace back to the cheques.
4. All accounts must have a written narration outlining the source and application of funds flowing through the account. All funds collected by the school for a designated purpose must be used only for the purpose so designated.
5. All undesignated funds collected by the school are to be classified as general revenue and may be spent in a manner determined by the Principal. Funds so designated are subject to the considerations of section 4 above.
6. A carry forward listing of all unexpended funds for individual categories is to be maintained from year to year to ensure that funds are properly allotted to the appropriate areas.
7. Funds raised by other groups, such as School Councils, shall be maintained separately from school-generated accounts.

8. Bank deposits will be made on a timely basis, preferably daily when there is a large amount of cash being collected, to ensure that there is proper control over cash. Principals shall be responsible for securing funds that might be collected at the school after normal banking hours.
9. Temporary cash surpluses arising during the year may be invested for short periods in saving accounts and/or guaranteed term deposits. Interest earned is to be classified as general revenue.
10. Principals or designates are not permitted to enter into loans or time payment plans involving school funds.
11. Cheque vouchers will be used and approved by the Principal to provide further controls on the disbursements of school generated funds.
12. Cheques shall be signed by any two (2) of the following: Principal, Assistant/Vice-Principal, Administrative Secretary.
13. Accounting information will be entered into the system on a regular basis so that current data is generated upon which to base decisions.
 - 13.1 Revenues are entered as a credit and disbursements are entered as a debit.
 - 13.2 Monthly reports will be provided to the Principal and/or individuals responsible for the separate funds so that the financial position is known and that the most beneficial decisions can be made.
14. Access to computer records will be limited to the Administrative Secretary and the Principal by the use of passwords. This will prevent unauthorized changes to the accounting system.
 - 14.1 Backup of information will be done on a regular basis and maintained in a secure location.
15. Principals shall comply with a standard reporting format in which to present the financial information as established by the Division.
16. When school-generated funds are used to purchase an asset over \$5,000 the Principal shall report the asset to the Secretary Treasurer at the time of the purchase.
17. When a school receives a donation of an asset over \$5,000 the Principal shall report the asset to the Secretary Treasurer.
18. An internal auditor will visit schools periodically to review the school's accounting records and procedures. Principals are encouraged to contact the Secretary Treasurer at any time to request an audit of the school accounts. The Secretary Treasurer may use the services of an external auditor if circumstances warrant such action.
19. The Secretary Treasurer, forthwith to the Superintendent, shall report any accounting anomalies or financial irregularities identified as part of an internal/external audit.

20. The Secretary Treasurer shall be responsible to monitor and to oversee the implementation of these procedures and to ensure compliance across the Division.
21. Any questions and/or concerns with respect to the implementation of these procedures are to be referred directly to the Secretary Treasurer.

Reference: Section 33, 52, 53, 55, 68, 137, 138, 139, 140, 141, 143, 197, 222 Education Act
Alberta Education Guide to Education ECS to Grade 12
Policy and Requirements for School Board Planning and Results Reporting
School Authority Planning and Reporting Reference Guide
Societies Act
Alberta Education Funding Manual for School Authorities