



File DE

### **SCHOOLS FUNDS ACCOUNTING**

The Board authorizes the establishment and maintenance of a school activities account at each of the schools in the Division. All monies collected shall be deposited in the school activities account at a local financial institution. The Principal shall be responsible for:

- seeing to the administration of the financial activities in accordance with appropriate accounting practices and procedures;
- approving all payments made from the account;
- submitting to the Secretary-Treasurer of the Division balanced receipts and payments statements;
- making accounts records available to the Division Auditor upon request;
- seeing that no large amounts of money are left in the school overnight.

See also: DLE

According to the *Public Schools Act*, subsection 56(4), school funds are moneys that the Principal of each school, subject to the rules of the School Board, may raise, hold, administer and expend for the purposes of the school.

All funds collected are to be expended for educational purposes or extra-curricular activities which are approved by the Board of Trustees.

#### **Type A Funds**

Type A funds include moneys from all fund-raising activities of the school. As these moneys are raised by the school, or under the 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.

Funds from cafeterias and vending machines that are operated by or contracted out by the Student Council are Student Council funds. Funds from cafeterias (canteens) and vending machines that are operated by or contracted out by the school are Type A funds. See also DEB.

#### **Procedures for handling Type A funds:**

1. Accounts should be segregated by purpose.
2. All disbursements and requests for reimbursement must be supported by supplier invoices or receipts. A record of all honorariums paid will be kept in the appropriate spaces on the Division's Professional Development proposal form and forwarded to the Secretary-Treasurer. See also DLA.
3. Personal expenses are not to be paid from school funds (e.g. borrowing from school funds for personal expenditures).
4. Monthly reconciliations must be maintained for all accounts.



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5. Approved software should be used for record-keeping, except where it is not practical due to small school size.
6. All bank accounts or term deposits require a minimum of two authorized signatures.
7. Financial statements are to be submitted to Division Office a minimum of three times per school year; December 31, March 31. And June 30 and are to include:
  - a) separate “year to date” revenue statement and expense statement properly categorized by purpose.
  - b) balance sheet showing bank balances and investments.
  - c) copy of current bank statements and investment certificates.

Income and expense statement must reconcile to bank statements.

### **Type B Funds**

Type B school funds include funds raised and expended by the school through the following vocational programs:

- auto shop
- cosmetology
- building construction trades

The balance of these funds are to be **included** in the School Division’s financial statements.

All other handling procedures are the same as for the Type A funds.

School funds shall be reviewed on a rotational basis by the Manager of Business and Finance who will also ensure that proper controls and procedures were in place throughout the year. The procedures undertaken to conduct this review will be documented and signed off at the time of the review.

The divisional external auditor should review the adequacy of the systems and controls established for school funds and report on same in the Auditor’s Supplementary Report.  
[PSA 56(4)]