

## Administrative Procedure 7140

### *School Funds*

---

**Board Governance Policy Cross Reference:** [1, 14, 16](#)

**Administrative Procedures Cross Reference:**

[Petty Cash](#)

[Purchasing and Payments](#)

[Reimbursement for Employee Expenses](#)

[Student Fees and Fundraising](#)

**Form Cross Reference:**

---

**Legal/Regulatory Reference:**

[The Public Schools Act](#) (56(4)(5))

---

According to the Public Schools Act, subsection 56(4), school funds are monies that the principal of each school, subject to the rules of the Interlake School Division (ISD), may raise, hold, administer and expend for the purposes of the school. School funds include amounts provided by the Division to schools to be used for prescribed purposes and money raised by the school, through fundraising activities and other means independent of the Division.

#### **A. Categories of School Funds**

School funds fall into two categories; School Generated Funds (Type A) and Division Allocated Funds (Type B).

##### **1. Type A: School Generated Funds**

- a) Type A School Funds include monies from all fund raising activities of the school, such as walk-a-thons, bike-a-thons, dances, hot dog days, school pictures, raffles, auctions, etc.
- b) As these monies 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.

- c) Funds from cafeterias and vending machines that are operated by or contracted out by the student council are student council funds. Funds from cafeterias and vending machines that are operated by or contracted out by the school are Type A school funds.

## **2. Type B: Division Allocated Funds**

- a) Type B School Funds include allocations from the school division (per capita grants, budget allocations, specific purpose grants, etc.), vocational revenues (business education initiatives, etc.), and revenues from cafeterias and vending machines that are operated by or contracted out by the school division.
- b) These monies are often administrated by the school division on behalf of the school, but in cases where the school administers these funds, they are considered to be Type B school funds and would fall under the guidelines for school funds.
- c) These funds are included in the school division's financial statements.

## **B. Guidelines for School Funds**

- a) The fiscal year of all School Funds will be April 1<sup>st</sup> to March 31<sup>st</sup>.
- b) The Principal shall be responsible for the establishment/enforcement of accounting and internal control procedures in accordance with Section 56(4) of the Public Schools Act.
- c) Purchases with School Funds should not be made by employees of the school division. School related expenses incurred by an employee of the division should be approved before they occur in order to prevent the perception of a conflict of interest.
- d) All staff are required to submit expense reports, complete with original receipts for all monies being reimbursed.
- e) All disbursements must be supported by supplier invoices or receipts.
- f) School Funds should be expended in such a way as to contribute to the educational experience of students and benefit those who have contributed to the accumulation of those funds.
- g) School Funds may be used to accomplish the following goals of the Interlake School Division and of each school:  
Environmental, historical, cultural, musical, recreational, educational experiences and other appropriate, positive, educational experiences inside and outside of the classroom.
- h) School Funds should not include staff funds, Parent Advisory Council funds, or petty cash transactions.

- i) Separate accounting should be maintained for specific purposes.
- j) Caution fees and other trust funds must be in a separate fund within the school operating account. All funds and penalties levied against students for the loss of damage of book must be recorded in the School Generated Fund program.
- k) All items purchased with school funds become the property of the Interlake School Division.
- l) School Funds will be audited on an annual basis by the Secretary-Treasurer (or designate) who shall ensure that the proper controls and procedures were in place throughout the year. The procedures undertaken to conduct the annual audit will be documented and a letter will be sent to the school for each set of School Fund accounts.
- m) Each school must prepare a financial report on a quarterly basis including the current bank reconciliation and fund account statement and submit to the Secretary-Treasurer for reporting.
- n) Each school must prepare a financial report for each fiscal year of all School Funds and bank accounts on the prescribed reporting forms and submit this report to the Secretary-Treasurer for each fiscal year for the annual audit. All financial reports must show gross receipts and gross expenditures. These reports should be available to Parent Advisory Councils when requested.
- o) The Division external auditor will review the adequacy of the systems and controls established by the Secretary-Treasurer for the School Funds and report on same in the Auditor's Supplementary Report.

### C. Procedures

- a) **Bookkeeping Software:** The approved accounting computer software to be used in all schools for bookkeeping of School Funds is CIMS.
- b) **Receipt of Funds:** All funds received must be receipted on pre-numbered school fund receipts which are dated and signed.
- c) **Deposits:** All deposits should be made on a timely basis. Significant amounts of cash on hand must be deposited.
- d) **Purchasing:**
  - The normal school division purchase procedures must be followed when Interlake School Division funds are expended (approved by the Principal).

- Larger transactions, especially those being charged on supplier accounts and/or capital items required to be documented for fixed asset inventory purposes must be ordered with Interlake School Division online purchase order system. These purchase orders must be clearly marked "Items purchased with School Funds".
- The entire purchase order must continue to be forwarded to the Division Office administration office.

**e) Disbursing Funds:**

- All invoices paid for with School Funds must be clearly identified as to receipt of goods, approval for purchase, project, and cheque number paying this invoice.
- All disbursements must be supported by supplier invoices or receipts.

**f) Banking Requirements:**

- All cheques used for School Funds must be pre-numbered.
- All cheques must be signed by two authorized people.
- Bank accounts must be reconciled monthly.
- In larger schools with a staff of five or more, the individual preparing the records should not be a signing officer.

**g) Record Keeping:**

- The double entry bookkeeping system should be used for recording School Funds transactions.
- All transactions entered must add, cross balance, and be recorded in the period where they belong, matching revenues and expenditures.
- Records for special projects or funds should be kept in separate fund accounts.

**h) Filing records:**

- **Invoices:** Paid invoices must be filed in a binding case, numerically
- by cheque number, in ascending order (highest cheque number on top) for easy reference.

- **Receipts:** Receipts must be filed in a binding case, numerically by receipt number, in ascending order (highest receipt number on top) for easy reference.
- **Cheques:** Imprint of cheques cleared must be copied on a monthly basis and attached to the monthly Credit Union Statement.
- **Reports:** All reports must be filed in a binding case, by month, in ascending order (most recent month on top) for easy reference.