



PROCEDURES for School Generated Funds



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INTRODUCTION

Background

Changing attitudes in society requires schools and school Boards to be increasingly accountable for the use of public funds. Funds are generated at the school level from a number of different sources and used in a number of different ways to enhance the development of educational programs and to support school initiatives and activities. These funds are referred to as “School Generated Funds.”

Representatives from the Ontario Association of School Business Officials (OASBO) Finance Committee, have collaborated to prepare guidelines identifying key financial recording and reporting requirements. A representative from Hamilton-Wentworth District School Board (HWDSB) was a member of the committee responsible for updating the guidelines in 2014.

In June 2003, Executive Council approved the formation of the School Generated Funds Committee with appropriate system representation. The mandate of this committee was to prepare recommendations regarding the implementation of procedures relating to the recording and reporting of School Generated Funds across the system. The original Procedures were based on the review of the OASBO document and revised to meet HWDSB requirements. They address the recording and reporting of School Generated Funds. They do not identify the type of fundraising activities, which should or should not occur at the school.

Objectives

- To align with new ministry guidelines and reporting requirements.
- To provide appropriate guidance, authority and protection to school staff and fundraising volunteers by providing specific administrative procedures for recording and reporting School Generated Funds.
- To meet the public’s expectations and validate the public’s trust regarding the stewardship of School Generated Funds.
- To ensure consistency and standardization of guidelines across all school Boards in Ontario.
- Meet the Board’s requirement under provincial regulations for the financial accountability of School Councils involved in fundraising.

Specifics

1. Key Considerations in the Development of the Guidelines

- The Procedures have been developed and written with the Principal and Office Administrator/ Financial Accounts Administrator in mind.
- They attempt to simplify, (as much as possible), the Procedures which will assist schools in administering, recording and reporting the various types of funds and expenditures flowing through the school.

- Recognizing the time constraints, which exist at all schools, they establish the minimum requirements that should be followed to address accountability relating to the management of School Generated Funds.

2. About The Guidelines

- Although organized by topic, the information presented in a particular section is not exclusive and should not be read in isolation from another section.
- These Procedures do not supersede Board policies currently in place; however, it is hoped that school Boards will adopt this manual as their standard.
- It is expected that this document will be updated on a periodic basis to reflect changes as required.
- Throughout the document, any references to the Principal are referring to the School Principal unless otherwise noted.
- The following guidelines apply to all school bank accounts, including separate accounts required for gaming purposes e.g. Bingo, Nevada.

3. Acknowledgements

The Committee would like to thank the following for their contribution to the updating of the Procedures in 2015:

Business Services Staff:

Stacey Zucker, Superintendent of Business and Treasurer

Carrie Salemi, Manager, School Support/Compliance

Christine Delville, School Budget/Funds Support

Shannon Verrall, School Budget/Funds Support

School Budget Advisory Committee 2014-15:

Marco Barzetti, Secondary Principal

Erin Birch Jones, Elementary Principal

Michael Castellani, Elementary Vice-Principal

Paul Clemens, Elementary Principal

Glenn Cooke, Secondary Principal

Kevin Morton, Manager, Maintenance and Energy, Facilities Management

Valerie Stephens Brockbank, Elementary Principal

Stephen Yull, Elementary Principal

HWDSB Corporate Communications

SOURCES AND USES OF SCHOOL GENERATED FUNDS

Background

Funds are generated in schools from a number of different sources and used in a number of different ways. These Procedures apply to all funds that are received, raised or collected in the name of the school or school activity. These funds are under the direction and control of the school Principal. Generally, this will mean all funds available to the school, other than funds provided by the approved budget of the Board.

Objectives

- To identify and categorize the sources of School Generated Funds to which these Procedures apply.
- To outline acceptable uses of these funds and some unacceptable uses of these funds.

Specifics

1. General classifications of School Generated Funds

- **Funds raised through a Board wide initiative.** In this category, funds are raised through Board wide initiatives such as vending machine contracts.
- **Funds raised through local school initiatives.** In this category, where approved by the Board, schools raise funds from such things as cafeteria services, snack vending machines, coffee machines, etc. Any profits generated are retained at the school. Any contracts entered into must conform to the Board's Purchasing Policy.
- **Funds raised through School Council/Student Council.** In this category, funds are raised through the direct involvement of the local School Council or parent community, or is done on behalf of and with the Student Council and/or the parent community. This category is identified separately because Board policy often requires School Council/Student Council involvement in expenditure decisions and disbursements when funds are raised jointly.
- **Funds donated to schools.** This category deals strictly with donations made to a particular school either for a specific purpose or for general use. Such donations may be eligible for a charitable donation tax receipt (refer to Section 8).

2. **Classifications of School Generated Funds for The Ministry’s Education Finance Information System (EFIS) for Reporting Purposes**

On an annual basis, the Board must report to the Ministry of Education the total of all funds received and disbursements in the following categories:

- **Field Trips and Excursions** – This line item captures all amounts raised/received and the costs to support in province or out of country excursions, or any field trips.
- **External Charities** – This line item captures all amounts raised/received and the costs, in support of an external charity where the school provides the administrative process for collecting the funds. This charity would be registered with the Canada Revenue Agency.
- **Student Activities and Resources** – This line captures all amounts raised/received and costs related to student activities and resources such as use of lockers, yearbooks or student activity fees. Athletic activities are recorded under this category. Field trip/excursions are excluded as they are captured separately as per above.
- **Capital Assets** – This line captures all amounts raised/received and the costs related to the purchase of capital assets that will be amortized. Even if funds were raised for band equipment, pottery equipment or technology investments (normally recorded under the Student Activities and Resources line), if these items meet the capitalization threshold as per the Tangible Capital Asset Guide, they would be recorded in the Capital Asset category and the data here will be transferred to the corresponding EFIS schedule.

3. **Acceptable and Unacceptable Uses of School Generated Funds**

- The Ministry’s guidelines determine acceptable and unacceptable uses of School Generated Funds to be adopted by all school boards.
- All purchases made using School Generated Funds must comply with Board policy and procedures. Relevant Board policies/procedures with which to ensure compliance includes Fundraising, Student Fees, School Council and Purchasing policies, where applicable.
- Funds raised must be used for the intended purpose as outlined in the Plan for School Generated Funds. For example, student activity fees charged for locks, yearbooks and agendas, should be used only for the purchase of these items.
- The accounting records should track each category separately.
- Amounts carried forward into the next year should be kept to a minimum unless it is part of a multi-year fundraising initiative. Funds that roll forward into the next year should not be used for another purpose.
- Refunds should be considered where large surpluses remain in one-time activities.

- Deficits for any category should not be permitted, unless subsidized by other general fundraising activities. A plan should be in place to address these deficits on a timely basis.
- Fundraising for a general purpose with no specific intent is discouraged.

Examples of School Generated Funds Activities:

- Pizza days, hot dog days, bake sales, etc.
- Fundraising Campaigns (Chocolate Bars/Popcorn/Freezer Foods)
- Walk-a-thons, dance-a-thons, swim-a-thons, read-a-thons, etc.
- Dress down days
- School dances
- School plays and concerts
- Juice and milk sales
- School clothing sales (e.g. gym uniforms) and school memorabilia
- School picture rebates/commissions
- Excursion fees
- Book (non-textbook) and magazine sales
- Special school luncheons
- Public transit tickets
- Games of chance (lotteries, raffles, bingos, Nevada tickets, etc.)

Examples of Unacceptable Uses of School Generated Funds would include, but are not limited to:

- Goods or services from employees, where such purchase would contravene Section 217 of the Education Act.
- Items that are to be purchased from the Board's budget such as classroom learning materials, textbooks, etc.
- Gifts to employees, including for celebrations of life events or recognized holidays.
- Monetary payments to employees for services (including honorariums).
- Mileage reimbursements to employees.
- Staff professional development/travel, meals and hospitality.
- Investments other than those permitted by the Board and Regulation 471/97 of the Education Act (Eligible Investments).
- Capital infrastructure improvements and maintenance or upgrades.
- Support for political activities, groups or candidates.

Caution:

Expenditures made from School Generated Funds that do not directly benefit the students in the school, are subject to greater scrutiny and may require justification.

ACCOUNTABILITY – ROLES AND RESPONSIBILITIES

Background

The Board has a responsibility to ensure that all school generated funds are collected in accordance with Board policies and municipal, provincial and federal laws and regulations. This responsibility includes ensuring that all funds are adequately protected, that they are controlled through proper accounting procedures and that accountability for the funds is maintained.

Objectives

- To clarify the roles and responsibilities of individuals involved in School Generated Funds.

Specifics

1. Roles and Responsibilities of the Executive Superintendent of Board Operations or Designate

- Establish guidelines for School Generated Funds.
- Provide training to staff on the appropriate application of the guidelines.
- Receive and maintain a central file of all financial reports as indicated in the Financial Reporting section.
- Ensure accurate and timely completion of Ministry reporting.
- Ensure that all schools have suitable accounting systems and/or technology available for administering the School Generated Funds.

2. Roles and Responsibilities of the Superintendent of Student Achievement

- Reinforce to Principals the need to adhere to Board policies/procedures and guidelines.
- Ensure that schools are complying with the reporting requirements of the Procedures for School Generated Funds (particularly Section 4 and 5).
- Report to the Superintendent of Business or designate:
 - If funds are lost or stolen.
 - Any misuse of funds.
 - Failure to follow any policy or guidelines.

3. Roles and Responsibilities of the School Principal

- Ensure that the Procedures for School Generated Funds are implemented in compliance with Board policies/procedures and/or Administrative Memos for example: nutrition, excursions, student fees and purchasing policies/procedures.
- Act as one of the approved signing officers on the school bank account.
- Appoint the designated individual responsible for receipts, disbursements, banking and record keeping - typically the Office Administrator or Financial Accounts Administrator.
- Ensure that processes are in place to adequately control the funds within the school, including security over cash and records.
- Support initiatives that promote electronic collection of funds and payment by school procurement card, using board-recommended software.
- Ensure that no staff members, or members of the community, are collecting and managing funds in their own personal bank account or any other account not approved by the Board.
- Communicate responsibilities to staff members.
- Ensure that there is a teacher advisor/primary contact for each club or class activity involved with financial transactions.
- Review, sign and date the monthly bank reconciliation.
- Review records periodically. Question and determine how to address any shortages or overages associated with the various activities.
- Review, sign and date the Quarterly and Annual Financial Reports that are submitted to the Board.
- Distribute and/or make available the annual financial reports as outlined in the section on Financial Reporting.
- Notify the Superintendent of Student Achievement and the Superintendent of Business immediately if funds are lost or stolen.
- Ensure that the school, or any individual associated with the school, does not enter into contracts in the name of the school or the Board. (See section 10)
- Ensure that the School Council chair is aware of and understands their roles and responsibilities.
- Provide financial reports to School Council as required.
- Ensure fundraising events are checked for both appropriateness and use of funds. Unplanned fundraisers not checked in advance through the Principal, are not allowed.
- Ensure curriculum requirements are funded through Board budget assigned funds and not School Generated Funds/fundraising dollars.
- Fundraisers are planned to bring together the school improvement plan and enhance a positive school climate. Fundraising details should be shared with the community (e.g. School Council, Student Council), on how the funds are spent.
- Ensure that funds received are disbursed as per the intent of the funds raised or collected.
- Participate during audit/review and ensure implementation of recommendations.
- Verify the School Generated Funds annually, which is required for audit.

4. Roles and Responsibilities of the Designated Individual in the school (Usually the Office Administrator/Financial Accounts Administrator)

- Comply with the Procedures for School Generated Funds as directed by the Principal and advise the Principal of deviations from the guidelines outlined in this manual.
- Act as one of the approved signing officers on the school bank account.
- Count and verify funds received for deposit.
- Prepare bank deposits and deposit funds at the bank on a timely basis.
- Issue cheques ensuring that all requests for payments are properly supported and approved by the Principal.
- Send payment to the Board on a monthly basis, for any purchases from School Generated Funds paid on the school's procurement card.
- Record transactions on a timely basis.
- Complete the monthly bank reconciliation.
- Prepare transaction reports as required for the Principal, staff, donors and School Council.
- Prepare the Quarterly and Annual Financial Report and submit to Principal for signature; forward to the Board.
- Maintain appropriate supporting documentation, and efficient filing system for records retention purposes.
- Advise the Principal of any deviations from the procedure.
- Assist during audit/review.
- Participate in Board training related to School Generated Funds.
- Make use of board-recommended software for collection of funds and payment by school procurement card

5. Roles and Responsibilities of Staff Members

- Collect money from students or other sources as applicable.
- Count money collected and record amount and intended use on the Funds Received Form as indicated in the section on Banking/ Receipts/ Disbursements.
- Ensure funds collected are securely delivered to the designated individual on a daily basis.
- Ensure that invoices have the appropriate approval and are delivered to the designated individual for payment in a timely manner. Invoices/receipts submitted for payment should include only school business related purchases; items which are personal in nature should not be included on the same invoice.
- Request and review transaction reports on a regular basis to ensure details of financial activity are related to the class or club and are recorded correctly. Also, ensure that funds received are disbursed as per the intent of the funds raised or collected. Advise the designated individual of any discrepancy.
- Encourage the use of electronic funds collection software to students/parents.

6. Roles and Responsibilities of School Council Chair

- Ensure fundraising activities involving the students, and/or the school, are in compliance with Board policies and procedures and no direct or indirect benefit is derived by a member of the School Council.
- Ensure that School Council members are aware that where conflicts of interest exist, they are disclosed.
- Distribute and/or make available the annual School Council financial reports, as indicated in the section on School Councils.
- Review the financial records of the School Council periodically.
- Approve all requests for disbursements out of all School Council categories.
- Ensure that all records and financial reports are available for review at the school, as indicated in the section on School Councils.
- Ensure all funds collected are counted and are kept at the school for safekeeping until deposited.
- Work with the Principal to adequately control the funds and ensure security over cash and records of the School Council.
- Ensure the Treasurer understands their responsibility for receipts, disbursements, banking and record keeping, including regular financial reporting for School Council meetings.
- It is recommended that the School Council Treasurer position be for a term not to exceed two years.
- Attend Board sponsored training relating to School Generated Funds.

BANKING, RECEIPTS & DISBURSEMENTS

Background

All schools must have a bank account for School Generated Funds and a process to record transactions. It is essential that controls be in place to assist in the management of these funds.

Objective

- To simplify banking practices while:
 - Ensuring security of funds.
 - Protecting those responsible for handling the money.
 - Maintaining adequate records.

Specifics

The following practices represent the minimum procedures recognizing the balance between limited staffing and the need to meet basic security and reporting requirements.

1. Establishing a Bank Account

- The school should have only one “School Generated Funds” bank account.
- Where schools participate in Lotteries and Games of Chance (see section 9) a second separate trust bank account must be maintained as required by the Alcohol and Gaming Commission of Ontario and the City of Hamilton.
- The bank account(s) shall be in the name of the school.
- Cheques for the school bank account(s) should be pre-numbered and electronically generated cheques are recommended.
- The account(s) must require two signatures on all cheques one of which should be the Principal. It is recommended to have up to four signing officers, with the additional signing officers as backup to the regular signers in case of emergency/unforeseen absence.
- Bank account(s) established must be such that statements are issued on a monthly basis along with returned/cancelled cheques or cheque images.
- Use of client cards or bank machines is not permissible.
- The bank statement must cut-off on the last day of the month for reconciliation and reporting purposes.
- Internet banking is permissible only for viewing and downloading transactions or statements and must not be used to make payments, transfers or disbursements.

2. Receipts

- All money collected in the name of the school must remain onsite and be stored in a designated locked and safe location, which has limited access until deposited. It is recommended that each school have a secure safe.
- All money collected is to be deposited intact to the bank account promptly. **Expenditures cannot be paid from the cash collected.** The total funds must be deposited to the bank and a cheque written to pay for any expenditure.
- All staff collecting money must complete the attached “Funds Received Form” and forward both the money and the form together to the designated individual in the school office.
- A separate “Funds Received Form,” should be used for each activity or collector of funds.
- It is recommended that whenever funds are brought to the office for deposit, the transfer of funds from the collector to the designated individual be evidenced by recording the transfer in the “School Cash Received Log.”
- Where possible, money should be counted in the presence of two individuals.
- When funds have been verified and prepared for deposit by the designated individual, the individual verifying the funds should complete and sign the bottom portion of the “Funds Received Form”. A copy of the “Funds Received Form”, indicating the actual money count is to be returned to the staff member who originally submitted the funds.
- You may use the same procedure for receipting funds received directly from individuals or groups not employed by the Board.
- The “Funds Received Form(s)” must be filed with the school copy of the bank deposit form.
- The “One Page Bank Deposit,” or similar bank deposit records, should be stamped by the teller, with a copy of the stamped form retained in the school’s records.
- Bank deposit records should match the corresponding “Funds Received Forms.” Any variances to the deposit must be explained and recorded in the school’s financial records.
- Schools should not photocopy cheques received as part of the supporting documentation for the deposit. Cheques may be itemized electronically in SchoolCash.Net for tracking purposes.
- The use of night deposit/deposit bags is not recommended.
- A “Funds Received Form” is not required for any funds received through the Board recommended electronic funds collection software.

Caution

Security and control over funds received is essential. Schools should promote the collection of funds through board recommended electronic software whenever possible in communicating to parents and the school community.

Cash and cheques received should be deposited on a weekly basis in order to prevent significant accumulation of funds. While it is at the discretion of the Principal to determine when a deposit must be made promptly, the recommended amounts for immediate deposit are \$1,000 for elementary and \$2,500 for secondary. In the interim, any funds collected between the bank deposit dates must be kept in a secure location that is only accessible to the designated individual(s).

When significant amounts of cash or cheques are received within a short time frame, the individual responsible for depositing to the bank is encouraged to have another HWDSB staff member escort them to the bank for additional security and assistance in transporting the funds.

Cash and cheques waiting for deposit should not be left in the school when the building will be unattended for extended periods of time (e.g.: December break, March break, summer holidays). The petty cash float should also be re-deposited over the summer break for all elementary schools.

3. Disbursements

- All payments must be approved by the Principal in advance of incurring the expense.
- All disbursements must comply with the Board’s Procurement Policy and Directive and the Board’s Employee Expense Policy and Directive. Expenditures that are deemed unallowable within the Employee Expense Policy and Directive are unallowable regardless of whether the school is using Ministry/Board or School Generated/School Council funds.
- All disbursements must be recorded on a timely basis.
- All payments must be made by cheque or school procurement card. Cash collected must never be used to pay for expenditures.
- Pre-signing of cheques is not acceptable.
- Signature stamps or electronic signatures are not acceptable.
- Payments should only be made upon the presentation of original invoices or itemized receipts and with approval of the Principal. Payments cannot be made from company statements, credit card or debit slips. Invoices/receipts should specify: the items purchased, quantity purchased, unit pricing and taxes paid.
- A Cheque Requisition Form must be completed for all disbursements. The signature of the Principal indicating approval should be noted on the Cheque Requisition Form. The Cheque Requisition Form and the required invoice/itemized receipt should be filed together for each payment.
- When a cheque is issued, the supporting documentation must be marked paid and the cheque number and date recorded.
- Partially completed cheques, (i.e. No payee name or amount), cheques made payable to cash or pre-payments in advance are not acceptable. Cheques may be made payable to “Cash” only to establish or replenish the school’s petty cash float.
- Reimbursements to Principals should be approved by their Superintendent for proper division of duties and approval authority. Individuals should not be approving their own expenditures. Approval is required from a higher level. Exceptions to this requirement will only be made for reimbursements under \$50 from the school’s petty cash fund.
- Using the number control feature, all cheques should be accounted for.
- Voided cheques should be marked “VOID” and retained, unless they are stale-dated and have been issued to the payee.
- Unused cheques should be stored in a designated, secure location in order to prevent loss or theft.
- It is recommended cheques are printed from SchoolCash.Net versus handwritten.

- The use of a cash box, outside of the petty cash float for reimbursement of budget expenditures, is not recommended. If a small amount of cash is necessary for emergency cash payments or floats to make change, the cash box must be kept in a secure location with limited access.
- The cash float must be kept to a minimum (not to exceed \$300 in elementary, \$500 in secondary), as per Admin Memo B-06
- Any excess monies above the established float must be deposited to the bank promptly.
- Any floats created temporarily to make change for school events must be re-deposited immediately following the event. The re-deposit of the float must be clearly separated from the event profits.
- Payments using the school's procurement card should be reimbursed to the Board and recorded on a monthly basis.

Please contact staff in Business Services with any questions regarding the eligibility of expenditures for the HST rebate.

4. Investments

Although this practice is not recommended, where a school has excess funds, they may be invested in the name of the school as permitted by Reg. 471/97 of the Education Act (Eligible Investments) and Board policy and practices (e.g. term deposits, GIC's, etc.). These funds should be invested on a short-term basis (i.e. less than a year).

Profit shares received from dealing with a credit union will also be tracked and reported separate from the main bank account.

5. Bank Reconciliation

- Bank reconciliations must be completed monthly and as at the last calendar date in the month.
- Cheques not cashed within six months are stale-dated and should be reversed in the school's records. The school may wish to issue a stop payment to the bank on larger stale-dated cheques.
- The Principal shall review the monthly bank reconciliation, sign it and retain it in the schools files.
- Refer to the SchoolCash.net manual for the process to be used to reconcile the school's bank account electronically.
- Any un-cleared deposits/credits showing on the bank reconciliation should be investigated in a timely basis.

6. Records Retention

- All original documents, including paid invoices, cancelled cheques, bank statements, support for deposits and bank reconciliations shall be retained for seven years.
- For expenditures made on the school's procurement card, statements and the original invoices/receipts shall be retained for seven years.
- The records of each year should be boxed, labeled with a description of contents and the record destruction date and securely stored in the school.

Caution

Deviation from the above guidelines will leave the school vulnerable to potential problems. The need to have guidelines in place is often not recognized until something goes wrong. The goal is to have controls that ensure money is handled appropriately, that staff are protected, and that records are accurate, up to date and useful. The controls are only as good as their enforcement. It is important that school administrators support and follow the established practices.



Business Services
School Support and Compliance
Hamilton-Wentworth District School Board
TEL: 905.527.5092 EXT: 2500
FAX: 905.521.2536

School Generated Funds Cheque Requisition Form

School Name: _____

Date: _____

Please issue a cheque to:

Name: _____

Address: _____

Reason for Payment:

Category Description:

Amount:

Cheque Total:

--

Cheque Number: _____

Transfer Required:

Transfer from category: _____

Transfer to category: _____

Amount: _____

PLEASE ATTACH ORIGINAL RECEIPTS TO THIS FORM

Signature of Requisitioner

Signature of Principal



Business Services
School Support and Compliance
Hamilton-Wentworth District School Board
TEL: 905.527.5092 EXT: 2500
FAX: 905.521.2536

BANKING / RECEIPTS / DISBURSEMENTS

School Generated Funds Funds Received Form

School Name:

To be completed by the individual collecting funds

Amount of Funds
(see reverse)

Source and Purpose of Funds:

Name:

Signature:

Date:

To be completed by School Funds/Office Administrator

Actual Funds Counted:

Difference:

Counted by: _____ Date: _____



Banking / Receipts / Disbursements

**School Generated Funds
 Funds Received Form**

BILLS

ROLLED COIN

LOOSE COIN

Quantity	Total
\$5	
\$10	
\$20	
\$50	
\$100	

Quantity	Total
1¢	
5¢	
10¢	
25¢	
50¢	
\$1	
\$2	

Quantity	Total
1¢	
5¢	
10¢	
25¢	
50¢	
\$1	
\$2	

Total Bills: _____ **Total Rolled:** _____ **Total Loose:** _____

Total Cheques: _____

Total Deposit: _____

Cheques Itemized

Cheque Issuers Name	Amount	Cheque Issuers Name	Amount

SCHOOL CASH RECEIVED LOG



TO BE COMPLETED BY COLLECTOR

LOG #	DATE	COLLECTOR'S SIGNATURE	ACCOUNT NAME/ COLLECTION REASON	DEPOSIT AMOUNT	ACCEPTED BY	AMOUNT VERIFIED

INSTRUCTIONS:

1. When a Funds Received Form and funds are turned over to the office staff, the collector must date and sign the School Cash Received Log and indicate the amount turned over and the account name or purpose of collection.
2. The office staff member who accepts the deposit should, preferably in the presence of the collector, verify the amounts to the Funds Received Form, then complete and sign the School Cash Received Log.

FINANCIAL REPORTING

Background

A substantial amount of money is generated in schools for the benefit of students. The Principal is accountable for the money to both the school community and the Board. Financial reports demonstrate accountability and, at the same time, provide information to the school community and the Board.

Objective

- To provide a format for financial reporting including:
 - Who will be responsible for preparing the reports.
 - What will be included in the reports.
 - The fiscal period that will be covered.
 - The reports that are required.
 - When they will be distributed.
 - To whom they will be distributed.
 - Protecting the privacy of personal information.

Specifics

- The financial reports shall be prepared under the direction of the Principal.
- The reports shall encompass all money generated in the name of or under the auspices of the school regardless of its source or use.
- The fiscal year for the reports shall be from September 1st to August 31st each year.
- The Principal must review, sign and date all reports.
- The reports should be made available at the school for the members of the school community.
- The reports must be kept with the records for the School Generated Funds for seven years.

Required Reports

The financial position and yearly reporting for School Generated Funds should be communicated to students, parents, School Council, the school community, Executive Council and the Board. In addition, all school Boards in Ontario must include information regarding School Generated Funds to the Ministry as part of the Board's yearly financial statements.

The schools must complete the following reports:

- Annual School Fundraising Plan
- Trial Balance Report *
- Overview Umbrella Category Summary Report *
- Bank Reconciliation Detail Report *
- School Fees Financial Summary for the Academic Year Report

All reports noted with an asterisk (*) can be electronically generated through the SchoolCash.net accounting program to facilitate preparation of the reports.

Schools should make reference to the Month End File Retention Form and the Quarterly Report Submission Form for a listing of the reports required for review by the Principal each month. Principals should sign off on these forms as evidence of their review and approval.

1. Annual School Fundraising Plan

The Annual School Fundraising Plan shows the purpose to which the net proceeds will be applied, how the funds are intended to be raised, the amounts projected to be raised and the associated fund raising costs.

The Plan must comply with the Ministry and Board fundraising guidelines and procedures.

The Plan will be prepared at the beginning of the school year by the Principal, after seeking sufficient and appropriate input from the school community. The purpose of the Plan is to identify the activities that will take place, ensure that they are in accordance with Board policies, aligned with the School Improvement Plan and to determine at the end of the year if the expectations were met.

The Plan will include all money generated in the name of or under the auspices of the school, regardless of its source or use and indicate the following:

- The purpose for which the net proceeds will be used.
- The source of revenue.
- The time period during which it will be generated.
- The person or group responsible for the activity.
- The anticipated net proceeds.

A copy of the Annual School Fundraising Plan will signed by the Principal and reviewed and approved by the Superintendent of Student Achievement at the start of the school year.

The Superintendent of Student Achievement, or designate, should review the Plan, make any necessary adjustments and communicate those adjustments to the Principal. The Principal has limited flexibility to modify this plan during the year in order to meet the needs of the school.

A copy of the approved Plan will be kept in the school and used in conjunction with the review of the monthly and annual financial reports.

It is suggested that the approved Plan be communicated to the school community. The purpose of fundraising initiatives should be communicated to the school community prior to any funds being raised.

2. Trial Balance Report

The Trial Balance Report for School Generated Funds will be prepared for the period starting at the beginning of the fiscal year (always September 1st) and ending at the end of each month on the last calendar day of the month. The Trial Balance Report will display for each category/activity:

- Beginning balance – total for the fund at the end of the previous year.

- Total receipts/revenue/transfers in during the period.
- Total disbursements/expenses/transfers out during the period.
- Closing balance.

This Report should be reviewed by the Principal every month and retained in the schools financial records.

Supporting documentation for all receipts, disbursements and transfers should be maintained at the school to support the summary for each activity in this Report. A sample of all of the related reports and documentation to be filed each month is listed in the sample Month End File Retention Form at the end of this section.

3. **Overview Umbrella Category Summary Report ***

The Overview Umbrella Category Summary Report for School Generated Funds will be prepared for the period starting at the beginning of the fiscal year (always September 1st) and ending at the end of each month on the last calendar day of the month. This report outlines the beginning balance, receipts/revenue, disbursements/expenses and closing balances by category and Umbrella Category. Examples of Umbrella Categories include, External Charities, Board Reimbursement, Trips/Excursions, Fundraising, Donations and Nutrition. All Umbrella Categories follow the Board’s category structures.

Transactions should be tracked under the appropriate umbrella category for Ministry reporting purposes. For example, if the school has a fundraiser for the end of year trip, the fundraising proceeds and associated expenses are tracked as Fundraising. However, the expenditures paid for out of the proceeds from the fundraiser must be tracked under Trips/Excursions.

This report should be reviewed by the Principal every month and retained in the schools financial records.

4. **Bank Reconciliation Detail Report**

Each month, the bank account balance(s) will be reconciled to the totals shown in the Trial Balance Report and the Overview Umbrella Category Summary Report. **The Principal must review and sign the Bank Reconciliation Detail Report monthly.** The related bank statement, returned cheques or cheque images and other items must also be retained with this report. Any questionable items, such as unauthorized withdrawals or un-cleared deposits/credits should be investigated. The form and content of this Report is discussed in the section titled “Banking/Receipts/Disbursements.”

This Report, along with the bank statement(s), should be available to the Board on a quarterly basis. A sample of the Quarterly Report Submission Form is included at the end of this section.

5. **School Fees Financial Summary for the Academic Year Report**

The School Fees Financial Summary for the Academic Year Report is prepared annually starting at the beginning of the fiscal year, September 1st to August 31st. This Report is prepared to assist schools in the financial reporting requirements for disclosing student fees collected over the school year and the related disbursements. This Report assists the school in complying with the Board’s Student Fees Policy and Policy Directive.

Submission of Reports

A copy of the Trial Balance Report, Overview Umbrella Category Summary Report and Bank Reconciliation Detail Report, with the corresponding bank statements for the quarter must be filed with the Executive Superintendent of Board Operations by the following due dates:

January 15 th	(based on November 30 th bank statement)
April 15 th	(based on February 28 th bank statement)
June 30 th	(based on May 31 st bank statement)
October 15 th	(based on August 31 st bank statement)

Please note: The August 31st report is an annual/year-end Report. Filing timelines are extended slightly as the year-end Report is prepared with assistance from staff in Business Services.

Other Reports

As required, additional reports may be required related to School Generated Funds. Some of the reports that may be prepared on an ad-hoc basis include:

- Petty Cash Reimbursement Claims
- HST Rebate Claims
- School Council Financial Reports
- Reporting for Donors (for example: accounting for usage of funds donated for school nutrition programs)



**Hamilton-Wentworth District School Board
Annual School Fundraising Plan
For the School Year Ending August 31, 2016**

Name of School: _____

School Principal: _____

Type of Event	Time Period	Person Responsible	Anticipated Profit	Purpose for Use of Funds
Pizza Days	Ongoing	Mrs. Hammerstein	\$2,500.00	Playground equipment
Pita Pit Sales	Ongoing	Mr. Holmes	\$1,200.00	Subsidize year-end trips
French Café	March 2016	Mme. Morrison	\$575.00	Performance at Mohawk
Cheque Drive	October 2015	Mr. Reed	\$750.00	Nutrition program
QSP Magazine Sales	November 2015	School Council	\$2,200.00	Subsidize year-end trips
Total			<u><u>\$7,225.00</u></u>	

SAMPLE

Please refer to the *Procedures for School Generated Funds* and the *HWDSB Fundraising Policy* for guidance.

Principal Signature: _____

Superintendent Signature: _____

Date Completed: _____

Date Approved: _____



QUARTERLY REPORT SUBMISSION FORM SCHOOL GENERATED FUNDS

SCHOOL NAME: _____ LOC CODE: _____

Period ending date: _____ Year: _____

Completed by: _____ Date: _____

I hereby certify that I have reviewed the following items related to the Quarterly Report for the School Generated Funds file.

Authorization: _____
 Principal's Signature

Attachments Required:

- Trial Balance Report - #9 (Period start date September 1st for all reports)
- Overview Umbrella Category Summary - #5
- Copy of Bank Reconciliation Detail Report for Last Month in the Quarter
 (Include Nevada, Bingo and Profit Shares/Investment if applicable)
- Copy of Bank Statement(s) for all three months in the Quarter being reported
 (cancelled cheque attachments not required)

Attach Only if Applicable:

- School Council Report (Detailed Summary #2)
 Select School Council (SC) categories only
- Copy of all Bank Statements related to closing of accounts into SGF
 (from September 1 to date of closing showing \$0 balance in the account)
- Copy of Investment Certificates (if applicable)

A copy of this form and attached documentation must be filed with the Executive Superintendent of Board Operations on a quarterly basis:

Months in Quarter:	Period Ending Date:	Due Date:
Sept, Oct, Nov	Sept 1 to November 30	January 15
Dec, Jan, Feb	Sept 1 to February 28 (29)	April 15
Mar, Apr, May	Sept 1 to May 31	June 30
Jun, Jul, Aug	Sept 1 to August 31	Sept/Oct (finalized at board office)

Step #1 – Bank Reconciliation

- Upon receipt of the Bank Statement(s), prepare a Bank Reconciliation for each school account (including Nevada/Bingo/Profit Shares/Investment) **at the last calendar day of every month**
- Print a SchoolCash.net Reconciliation Report for each account

Step #2 – Print all reports for each account

Step #3 – Copy this completed form and all required attachments, and forward an original signed form to the Executive Superintendent of Board Operations by the appropriate due date.

**All original files must be retained for seven (7) years at YOUR SCHOOL
 Please box and label prior years records with both content and destroy date**



MONTH END FILE RETENTION FORM SCHOOL GENERATED FUNDS

SCHOOL NAME: _____ LOC CODE: _____

Month ending date: _____ Year: _____

Completed by: _____ Date: _____

I certify I have reviewed the Month End File for enclosure of all required documents.

Authorization: _____
Principal's Signature

Documents required: For all accounts (Nevada, Bingo & Profit Share/Investment if applicable)

- Bank Statements
- Supporting cancelled cheques or cancelled cheque images from financial institution
- Supporting paid invoices
- School Generated Funds – Cheque Requisition Forms
(as per Procedures for School Generated Funds)
- Supporting bank deposit slips
- School Generated Funds – Funds Received Forms
(as per Procedures for School Generated Funds)
- SchoolCash.net Bank Reconciliation Detail Report
- Trial Balance Report - #9 (Period start date September 1 for all reports)
- Overview Umbrella Category Summary - #5
- School Council Report (Detailed Category Summary #2 – Select School Council categories only)
- Copy of Investment Certificates (if applicable)

Step #1 – Bank Reconciliation

- Upon receipt of the Bank Statement(s), prepare a Bank Reconciliation for each school account (Nevada, Bingo & Profit Share/Investment if applicable) as at the Bank Statement date for the last calendar day of the month (ie Sept 30/YY, Oct 31/YY, Nov 30/YY)
- Print the SchoolCash.net Reconciliation Detail Report - #11M for each account

Step #2 – Print remaining receipts

NOTE: It is recommended that the records of each year be boxed, labeled with the contents and the destruction date and stored in a secure location in the school.

All original files must be retained for seven (7) years at YOUR SCHOOL

Always start
 September 1st

2010-2011

Categories	Balance Forward	Expenses	Revenues	Balance	
Agenda	270001	\$1,298.88	\$2,366.73	\$2,561.79	1,493.94
Bank	120001	\$20.00	\$356.37	\$1.85	-334.52
Basic Athletic Fee	270003	-\$110.34	\$200.00	\$80.00	-230.34
Book Fair	210001	\$806.57	\$1,873.43	\$2,467.17	1,400.31
Charity Miscellaneous	200002	\$2,675.49			2,675.49
Flower & Gift Fund	100001	\$100.35	\$501.83	\$492.98	91.50
Fundraising Miscellaneous	210004	\$2,076.20			2,076.20
Graduation	260001	-\$2,086.63	\$1,304.78		-3,391.41
GST Rebate	100030		\$135.33		-135.33
Healthy Habits	180001	-\$335.00			-335.00
Locks	270005	\$1,172.00			1,172.00
Music	180002	\$27.82	\$337.31		-309.49
Optional Fee	270006	\$161.85			161.85
Optional School Experience Fee	270007	\$210.00	\$114.10		95.90
Petty Cash Reimbursement	140005		\$36.21		-36.21
Pizza Days	210006	-\$473.99	\$4,044.08	\$6,310.45	1,792.38
Principal's Fund	100002	\$1.90	\$839.73	\$196.06	-641.77
Principal's Fund Commissions	170001	\$183.05		\$3,468.00	3,651.05
SC School Council	210007	\$1,595.00	\$140.00	\$4,842.50	6,297.50
School Council Purchases	250001	-\$1,013.86	\$3,137.84	\$3,145.32	-1,006.38
School Purchases	250002	\$131.30	\$2,736.85	\$2,913.30	307.75
SPCA	200003	-\$764.49			-764.49
Student Activity Fees	270010	\$266.94			266.94
Student Nutrition Program	230001	-\$1,290.08		\$555.00	-735.08
Team Fee	270011	-\$195.15	\$640.00	\$468.75	-366.40
Trips - Cineplex	290002	-\$100.11			-100.11
Trips - Miscellaneous	290006	\$172.29	\$2,555.11	\$3,353.28	970.46
Trips - Ottawa	290004		\$1,000.00		-1,000.00
Trips - Seussical	290007	\$50.00			50.00
Trips - Theatre Aquarius	290005	\$50.00	\$1,175.29	\$464.00	-661.29
Yearbook	270002	\$196.59	\$2,201.75	\$1,253.71	-751.45
YrEnd Outstanding	1600000				0.00
Total		\$4,826.58	\$25,696.74	\$32,574.16	\$11,704.00

Circled accounts typically have a negative balance (waiting for top-up of funds from the Board). All other negative balances should be investigated and/or addressed.

Should be equal to the balance on report #5 and the Ledger Ending Balance on the Bank Reconciliation

Always start
Sept 1st

		<u>Balance Forward</u>	<u>Expense</u>	<u>Revenue</u>	<u>Balance</u>
Elementary Administration					
Administration					
Flower & Gift Fund	100001	\$100.35	\$501.83	\$492.98	\$91.50
GST Rebate	100030	\$0.00	\$135.33	\$0.00	-\$135.33
NSF Charges	100040	\$0.00	\$0.00	\$0.00	\$0.00
Principal's Fund	100002	\$1.90	\$839.73	\$196.06	-\$641.77
	Umbrella Total:	\$102.25	\$1,476.89	\$689.04	-\$685.60
Banking					
Bank					
	120001	\$20.00	\$356.37	\$1.85	-\$334.52
	Umbrella Total:	\$20.00	\$356.37	\$1.85	-\$334.52
	Umbrella Type Total:	\$122.25	\$1,833.26	\$690.89	-\$1,020.12
Elementary Capital Assets					
Capital Assets					
Furniture	150001	\$0.00	\$0.00	\$0.00	\$0.00
	Umbrella Total:	\$0.00	\$0.00	\$0.00	\$0.00
	Umbrella Type Total:	\$0.00	\$0.00	\$0.00	\$0.00
Elementary Clubs & Activities					
Board Reimbursement					
Petty Cash Reimbursement	140005	\$0.00	\$36.21	\$0.00	-\$36.21
	Umbrella Total:	\$0.00	\$36.21	\$0.00	-\$36.21
	Umbrella Type Total:	\$0.00	\$36.21	\$0.00	-\$36.21
Elementary Departments					
Department					
Music	180002	\$27.82	\$337.31	\$0.00	-\$309.49
	Umbrella Total:	\$27.82	\$337.31	\$0.00	-\$309.49
	Umbrella Type Total:	\$27.82	\$337.31	\$0.00	-\$309.49
Elementary External Charities					
External Charities					
Charity Miscellaneous	200002	\$2,675.49	\$0.00	\$0.00	\$2,675.49
SPCA	200003	-\$764.49	\$0.00	\$0.00	-\$764.49
Terry Fox	200004	\$0.00	\$0.00	\$0.00	\$0.00
	Umbrella Total:	\$1,911.00	\$0.00	\$0.00	\$1,911.00
	Umbrella Type Total:	\$1,911.00	\$0.00	\$0.00	\$1,911.00
Elementary Field Trips					
Trips/ Excursions					
Trips - Camp Wanikita	290001	\$0.00	\$0.00	\$0.00	\$0.00
Trips - Cineplex	290002	-\$100.11	\$0.00	\$0.00	-\$100.11
Trips - Diary Of Anne Frank	290003	\$0.00	\$0.00	\$0.00	\$0.00
Trips - Miscellaneous	290006	\$172.29	\$2,555.11	\$3,353.28	\$970.46
Trips - Ottawa	290004	\$0.00	\$1,000.00	\$0.00	-\$1,000.00
Trips - Seussical	290007	\$50.00	\$0.00	\$0.00	\$50.00
Trips - Theatre Aquarius	290005	\$50.00	\$1,175.29	\$464.00	-\$661.29
	Umbrella Total:	\$172.18	\$4,730.40	\$3,817.28	-\$740.94

		<u>Balance Forward</u>	<u>Expense</u>	<u>Revenue</u>	<u>Balance</u>
Umbrella Type Total:		\$172.18	\$4,730.40	\$3,817.28	-\$740.94
Elementary Fundraising					
Commissions					
Principal's Fund Commissions	170001	\$183.05	\$0.00	\$3,468.00	\$3,651.05
Umbrella Total:		\$183.05	\$0.00	\$3,468.00	\$3,651.05
Fundraising					
Book Fair	210001	\$806.57	\$1,873.43	\$2,467.17	\$1,400.31
Fundraising Miscellaneous	210004	\$2,076.20	\$0.00	\$0.00	\$2,076.20
Pizza Days	210006	-\$473.99	\$4,044.08	\$6,310.45	\$1,792.38
Umbrella Total:		\$2,408.78	\$5,917.51	\$8,777.62	\$5,268.89
Umbrella Type Total:		\$2,591.83	\$5,917.51	\$12,245.62	\$8,919.94
Elementary Nutrition					
Nutrition					
Student Nutrition Program	230001	-\$1,290.08	\$0.00	\$555.00	-\$735.08
Umbrella Total:		-\$1,290.08	\$0.00	\$555.00	-\$735.08
Umbrella Type Total:		-\$1,290.08	\$0.00	\$555.00	-\$735.08
Elementary Student Activities					
School/Student Benefit					
Healthy Habits	180001	-\$335.00	\$0.00	\$0.00	-\$335.00
School Council Purchases	250001	-\$1,013.86	\$3,137.84	\$3,145.32	-\$1,006.38
School Purchases	250002	\$131.30	\$2,736.85	\$2,913.30	\$307.75
Umbrella Total:		-\$1,217.56	\$5,874.69	\$6,058.62	-\$1,033.63
Special Events					
Graduation	260001	-\$2,086.63	\$1,304.78	\$0.00	-\$3,391.41
Umbrella Total:		-\$2,086.63	\$1,304.78	\$0.00	-\$3,391.41
Student Activity Fees					
Agenda	270001	\$1,298.88	\$2,366.73	\$2,561.79	\$1,493.94
Basic Athletic Fee	270003	-\$110.34	\$200.00	\$80.00	-\$230.34
Locks	270005	\$1,172.00	\$0.00	\$0.00	\$1,172.00
Optional Fee	270006	\$161.85	\$0.00	\$0.00	\$161.85
Optional School Experience Fee	270007	\$210.00	\$114.10	\$0.00	\$95.90
Required Fee	270008	\$0.00	\$0.00	\$0.00	\$0.00
SC School Council	210007	\$1,595.00	\$140.00	\$4,842.50	\$6,297.50
Student Activity Fees	270010	\$266.94	\$0.00	\$0.00	\$266.94
Team Fee	270011	-\$195.15	\$640.00	\$468.75	-\$366.40
Yearbook	270002	\$196.59	\$2,201.75	\$1,253.71	-\$751.45
Umbrella Total:		\$4,595.77	\$5,662.58	\$9,206.75	\$8,139.94
Umbrella Type Total:		\$1,291.58	\$12,842.05	\$15,265.37	\$3,714.90
YrEnd Transactions Elementary					
YrEnd Adjustments					
YrEnd Outstanding	1600000	\$0.00	\$0.00	\$0.00	\$0.00
Umbrella Total:		\$0.00	\$0.00	\$0.00	\$0.00
Umbrella Type Total:		\$0.00	\$0.00	\$0.00	\$0.00
Grand Total:		\$4,826.58	\$25,696.74	\$32,574.16	\$11,704.00

Are revenues more than expenses?

Should equal balance on Report #9 and on Bank Reconciliation

Reconciliation Detail Report

New Haven School 1

School Funds

Branch #: 2860

Account #: 47332

As At: 07/31/2011

Should be last calendar day of month.

Summary:

Bank Statement Beginning Balance: 03/01/2011

\$6,338.83

Cleared Cheques/Payments

-\$1,927.37

Cleared Deposits/Credits

\$5,868.23

Total Cleared

\$3,940.86

Bank Statement Ending Balance: 07/31/2011

\$10,279.69

Difference

\$0.00

Uncleared Cheques/Payments

-\$3,343.19

Uncleared Deposits/Credits

\$4,842.50

Total Uncleared

\$1,499.31

Adjusted Bank Balance: (Bank Statement Ending Plus Uncleared)

\$11,779.00

Ledger Ending Balance: 07/31/2011

\$11,704.00

Difference: (Adjusted Bank Balance Less Ledger Balance)

\$75.00

Add Investments

\$0.00

Total Bank & Investments: 07/31/2011

\$11,854.00

Should equal balance on report #5 and report #9

Uncleared deposits means funds have been received by school but have not been brought to the bank for deposit. Cash on hand in the school should be kept to a minimum.

Reconciliation Detail Report

New Haven School 1

School Funds

Branch #: 2860

Account #: 47332

As At: 07/31/2011

Ledger Balance At: 07/31/2011	\$11,704.00
Bank Statement Ending Balance: 07/31/2011	\$10,279.69
Bank Statement Beginning Balance: 03/01/2011	\$6,338.83

Cleared Transactions

Cheques and Payments

<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
12/06/2010	Cheq	586	Julia Roberts	-\$21.67	-\$21.67
01/24/2011	Cheq	615	Jostens - final installment	-\$325.00	-\$346.67
01/24/2011	Cheq	616	Elgie Bus Lines South London Pool	-\$121.90	-\$468.57
01/24/2011	Cheq	617	Elgie Bus Lines South London Pool	-\$121.90	-\$590.47
03/01/2011	Cheq	619	Jostens	-\$333.35	-\$923.82
03/01/2011	Cheq	620	Charlie Brown Christmas Concert	-\$265.00	-\$1,188.82
03/01/2011	Cheq	623	The Pizza Store	-\$216.01	-\$1,404.83
03/01/2011	Cheq	625	The Flower Shop	-\$189.53	-\$1,594.36
03/05/2011	Cheq	628	The Pizza Store	-\$176.00	-\$1,770.36
03/11/2011	NSF		Young, Stephen, Athletic Card	-\$40.00	-\$1,810.36
03/21/2011	NSF		Howard, Glen, Theatre Aquarius Trip - Jackie	-\$51.00	-\$1,861.36
03/31/2011	Serv. Chrg		cheque order	-\$66.01	-\$1,927.37
Total Cheques and Payments				-\$1,927.37	-\$1,927.37

Deposits and Credits

<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
03/03/2011	Deposit	42	Agendas - Mike Brown	\$960.00	\$960.00
03/07/2011	Deposit	43	Grade 2	\$1,105.00	\$2,065.00
03/09/2011	Deposit	44	Grade 2	\$1,825.00	\$3,890.00
03/15/2011	Deposit	45	Yearbook sales - Grade 6	\$456.21	\$4,346.21
03/16/2011	Deposit	46	Noon Sales	\$215.17	\$4,561.38
03/18/2011	Deposit	47	JK & SK Gammondale Farms	\$310.00	\$4,871.38
03/22/2011	Deposit	48	Tuck Shop	\$589.00	\$5,460.38
03/30/2011	Deposit	49	Grade 5	\$406.00	\$5,866.38
03/31/2011	Interest			\$1.85	\$5,868.23
Total Deposits and Credits				\$5,868.23	\$5,868.23
Total Cleared Transactions				\$3,940.86	\$3,940.86

Uncleared Transactions

Cheques and Payments

<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
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Branch #: 2860

Account #: 47332

Cheques and Payments

<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
06/30/2010	Cheq	508	Bank Charges - Withdrawal fees	-\$18.00	-\$18.00
01/12/2011	Cheq	613	Elgie Bus Lines Swimming	-\$121.90	-\$139.90
03/01/2011	Cheq	622	The Pizza Store	-\$160.01	-\$299.91
03/01/2011	Cheq	624	Tom Greene's Nature Photography Framing of school photos	-\$265.19	-\$565.10
03/05/2011	Cheq	626	ABC's Taxi Ltd. deliver Christmas Cheer donations	-\$62.30	-\$627.40
03/05/2011	Cheq	627	Scholastic cash exchange for cheque R. Rommell	-\$14.74	-\$642.14
03/05/2011	Cheq	629	Superior Bowladrome bowling	-\$140.00	-\$782.14
03/14/2011	Cheq	631	Hallmark Cards	-\$64.10	-\$846.24
03/18/2011	Cheq	630	ABC Supplies	-\$50.00	-\$896.24
05/31/2011	Cheq	632	Premiere Agendas Agendas Inv# 629	-\$110.74	-\$1,006.98
05/31/2011	Cheq	633	Tours Ontario Ottawa Trip/Theatre Trip Inv# 5221	-\$2,300.00	-\$3,306.98
05/31/2011	Cheq	634	Tom Jones Classroom Supplies, Walmart	-\$36.21	-\$3,343.19
Total Cheques and Payments				-\$3,343.19	-\$3,343.19

Deposits and Credits

<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
03/23/2011	Deposit	50	Fees	\$4,842.50	\$4,842.50
Total Deposits and Credits				\$4,842.50	\$4,842.50
Total Uncleared Transactions				\$1,499.31	\$1,499.31

Summary for: SC School Council
Cat. #: 210007

Contact Person:
 Balance Forward: \$1,595.00

Date	Transaction	Description	Debit	Credit	Tax Paid	Tax Rebate	Cleared	Balance
03/05/2011	Cheq 629	Superior Bowladrome bowling	\$140.00				<input type="checkbox"/>	\$1,455.00
03/23/2011	Deposit 50	Fees		\$4,842.50			<input type="checkbox"/>	\$6,297.50
			\$140.00	\$4,842.50				\$6,297.50

Summary for: School Council Purchases
Cat. #: 250001

Contact Person: MacGregor
 Balance Forward: -\$1,013.86

Date	Transaction	Description	Debit	Credit	Tax Paid	Tax Rebate	Cleared	Balance
10/04/2010	Deposit 35	T-shirts		\$92.50			<input checked="" type="checkbox"/>	-\$921.36
10/13/2010	Cheq 540	The Shirt Store	\$92.50				<input checked="" type="checkbox"/>	-\$1,013.86
10/26/2010	Cheq 546	The Shirt Store	\$1,724.27				<input checked="" type="checkbox"/>	-\$2,738.13
10/27/2010	Cheq 554	The Shirt Store	\$290.00				<input checked="" type="checkbox"/>	-\$3,028.13
10/31/2010	Deposit 36	T-shirts		\$1,724.27			<input checked="" type="checkbox"/>	-\$1,303.86
10/31/2010	Deposit 36	Dance-a-thon		\$709.68			<input checked="" type="checkbox"/>	-\$594.18
11/17/2010	Deposit 37	Dance-a-thon		\$355.51			<input checked="" type="checkbox"/>	-\$238.67
11/17/2010	Deposit 37	Dance-a-thon		\$211.36			<input checked="" type="checkbox"/>	-\$27.31
11/22/2010	Cheq 567	The Shirt Store	\$211.36				<input checked="" type="checkbox"/>	-\$238.67
11/23/2010	Deposit 38	Dance-a-thon		\$52.00			<input checked="" type="checkbox"/>	-\$186.67
12/06/2010	Cheq 585	Tim Wright - Guest Speaker	\$775.19				<input checked="" type="checkbox"/>	-\$961.86
12/21/2010	Cheq 606	The Pizza Store	\$44.52				<input checked="" type="checkbox"/>	-\$1,006.38
			\$3,137.84	\$3,145.32				-\$1,006.38

Opening Balance: \$581.14

\$3,277.84

\$7,987.82

\$5,291.12

The total ledger balance for the school should always be greater than the total School Council accounts. Otherwise, the school is "borrowing" funds from School Council to fund school expenses.

ACCOUNTING SYSTEMS

Background

A basic accounting software package will simplify record keeping. All recording and reporting of School Generated Funds should be computerized, even though supporting documents are in paper format. The SchoolCash.net software is recommended and supported by the Board for use in all schools.

Objective

- To identify the minimum information to be recorded while:
 - Safeguarding the money.
 - Protecting those responsible for handling the money.
 - Properly accounting for transactions that occur electronically.
 - Maintaining a thorough set of records regarding the receipt and disbursement of the money.

Specifics

Revenue and Expenditure Records (computerized or manual)

- All revenue and expenditures must be recorded promptly.
- For money received, the following information is required:
 - Date received
 - Amount collected
 - Purpose of funds collected
 - Name and signature of person from whom money is received
 - Date deposited
- For payments made, the following information is required:
 - Date cheque issued
 - Amount of cheque
 - Name of payee
 - Reason of payment issued
 - HST paid

Use of the Funds Received Form and Cheque Requisition Form in the section Banking/Receipts/Disbursements will ensure all of the above information is captured for record-keeping purposes.

The Funds Received Form is not required for any funds received through the Board recommended electronic funds collection software. Similarly, a Cheque Requisition Form is not required when payment is made on the school's procurement card, as schools should have alternative supporting documentation in place for sign-out of the procurement card and support for expenditures made.

Notes

- All funds are to be deposited intact. This means that expenditures are not to be paid from the cash collected. The total funds deposited to the bank and a cheque written to pay for an expenditure.
- The accounting system must track and report revenue and expenditures for each school activity. The accumulated balance of all school activities should equal the reconciled bank balance.
- The revenue and expenditure records should be reviewed periodically by the Principal.

Caution

- As with all computerized systems, the records are only as good as the information entered. Using detailed descriptive information when recording transactions is recommended. It is important that the records be kept up to date and errors corrected promptly.
- To ensure appropriate controls are in place, it is critical to keep accurate, up-to-date records regarding the receipt and disbursement of funds. This will ensure that the money is handled appropriately, that staff are protected and that written records exist which can be relied on for review/audit purposes. The controls are only as good as their enforcement. It is important that school administrators support and follow the established practices.
- To ensure accountability, logins to computerized accounting systems should not be shared with other users.
- Schools are required to use the Board recommended computerized accounting system in order to ensure compliance with licensing requirements and to ensure data is backed up on a regular basis.
- Schools are not permitted to use non-recommended financial software or receive monies via online funds collection tools such as PayPal.

SCHOOL FINANCIAL REVIEW

Background

Regular reviews/audits of School Generated Funds help to ensure compliance with Board policies and procedures. The Board's external auditors conduct yearly financial reviews of School Generated Funds in a number of schools in the Board. Usually this occurs on a cyclical basis, so that each school is reviewed periodically. The Board may also have audits of School Generated Funds performed by their Regional Internal Audit Team or by staff from Business Services.

Both an audit and a review will follow the process described in this section. The difference between these two functions is that the external or regional internal auditor will make recommendations and others may ensure that they are followed, while a Board staff reviewer will make recommendations and assist school staff with implementing them. The external and regional internal auditor will remain independent and objective.

Objectives

- To outline the process involved in a review/audit of School Generated Funds.

Specifics

Description of a Review/Audit

1. Purpose

A review/audit is an independent examination of specified activities, which is used to assist management in the assessment of whether the organization's plans are carried out; policies and procedures are observed; accounting is accurate for assets, liabilities, revenues; and expenses and reporting is done on a timely basis. The audit/review usually consists of analysis, recommendations and comments regarding the activities reviewed/audited.

This section of the Procedures provides guidance for a review/audit of School Generated Funds as outlined in the section on Sources and Uses of School Generated Funds.

2. Scope

The scope of the review/audit includes:

- Evaluating the adequacy and application of financial and other operating controls.
- Reviewing compliance with related Board policies, Ministry guidelines.
- Evaluating the timeliness, accuracy and usefulness of the school's records and reports.
- Ensuring that School Generated Funds are properly accounted for and safeguarded from loss.
- Commenting on the extent to which funds raised are used efficiently, effectively and for the purpose stated prior to the funds being raised.

The review/audit should examine the most recent completed fiscal year. The financial reports for previous fiscal years may be used for comparative purposes.

3. Involvement of Superintendent of Student Achievement, Principal, school staff, School Council, Student Council

It is expected that the Superintendent of Student Achievement, Principal, Vice-Principal(s) if any, other school staff, and representatives of the School Council and Student Council, where one exists, may be called upon at times to provide information and records and to clarify such information. It is expected that full cooperation and access to school records will be given to the reviewer/auditor. The reviewer/auditor should take into account time pressures on school staff when making requests for records and should not unduly interfere with school operations.

The Principal is responsible for adequate record keeping and the reporting of fundraising and expenditure activities. Hence, it is expected that the Principal will provide access to all records.

4. Review

The review/audit will consist of the following elements:

- A meeting with the Principal.
- Follow-up meeting with the Principal, school staff, School Council and Student Council representatives, as necessary.
- Gathering of relevant records from the school, banking institutions, School Council, Student Council, and the Board's Accounting and Budget departments, as necessary.
- Examination of records.
- Preparation of draft review/audit report and meeting with the Principal to discuss and review findings. This meeting will give the reviewer/auditor the opportunity to informally discuss findings and to give the Principal the opportunity to identify any errors or omissions in the draft report.
- Preparation of the final review/audit report incorporating any responses to recommendations from the Principal.
- Follow-up Review and Reporting.

5. Reporting

Following completion of the review/audit, the final report could be submitted to the Superintendent of Business, the Superintendent of Student Achievement and the Principal for action, as required.

For audits performed by the external auditor, a copy of the audit report/management letter will also be shared with the Audit Committee of the Board.

The Review/Audit Process

Step 1 - Initial Meeting with the Principal

An initial meeting with the Principal and where desired, the Superintendent of Student Achievement, is conducted to introduce the reviewer/auditor and the review/audit process. Expectations will be expressed and clarified at this time.

In addition, the Principal, and/or Superintendent of Student Achievement, may identify any school practices or procedures they wish to have reviewed and identify any potential or perceived problem or area of concern.

Follow-up meetings may be held with the Principal, school staff, School Council and Student Council representatives to further clarify their involvement.

It should be stressed that the main purpose of the review/audit is to assist and advise the Principal how best to fulfill the Board's requirements in complying with policy and procedures and to facilitate timely reporting.

Step 2 - Access to Records

The Principal is responsible for adequate record keeping and reporting of fund raising and expenditure activities. Hence, it is expected that the Principal will provide access to all records.

Step 3 - Review of Records by Reviewer/Auditor

The review of the records should primarily focus on the adequacy and effectiveness of the school's internal controls related to School Generated Funds. Controls are adequate if they ensure adherence to Board policy and procedures. Controls are effective if they are achieving the intended results.

A review/audit should look at five basic objectives of internal controls:

- Reliability and integrity of information.
- Compliance with policy, procedures, laws and regulations.
- Safeguarding of assets.
- Economical and efficient use of resources.
- Accomplishment of established goals and objectives.

Depending on the extent of fundraising activities in a given school, some of the above may be less critical than others. However, all schools should have a general expectation that their procedures and controls meet these standards and objectives. The review/audit report should assist schools in

achieving adequate and effective internal controls by identifying omissions and/or problem areas and recommending corrective action where necessary. It should identify best practices that already exist and may be shared with other schools.

Step 4 - Preparation of Draft Report

The draft report should:

- Describe the areas reviewed.
- Comment on the degree of compliance with Board policy and procedures.
- Describe any deficiencies that exist.
- Make recommendations for improvement or corrective action.

In conducting the review and preparing the draft report, the auditor/reviewer will meet with the Principal to discuss findings and possible recommendations. This will assist in ensuring accuracy of the review and in establishing a collaborative approach to implementing corrective measures.

If a disagreement over findings or recommendations arises between the reviewer/auditor and the Principal, every effort should be made to resolve the disagreement during this process. If the disagreement cannot be resolved, the reviewer/auditor will have the responsibility to report on their findings using their own judgment.

Regardless of whether or not such a disagreement or resolution exists, the Principal will formally respond to the report and its findings. Responses should be included in the body of the final report, immediately after the related finding and recommendation, if any.

The response of the Principal should contain the following:

- An indication as to their agreement or disagreement with the finding. If they disagree, a description of the rationale for disagreement with the finding should be included; and
- An indication as to whether or not they will implement the suggested corrective measures. If they would prefer to take alternate steps to correct the matter, they must provide a description of those alternate measures. If corrective measures will be taken, what the period may be for implementing these measures.

Step 5 - Final Report

Following completion of the review/audit, the Final Report should be submitted to the Superintendent of Business, the Superintendent of Student Achievement and the Principal for action, as required.

Step 6 - Follow-up Review and Reporting

The reviewer/auditor may conduct a follow-up review to determine that corrective measures have been implemented and that they are achieving the desired results.

Where corrective measures have not been implemented, the Principal and Superintendent of Student

Achievement should be provided with a summary of measures that are still outstanding and be asked to comment.

A follow-up report will then be completed indicating the measures implemented and their effectiveness. In addition, any measures still outstanding will be identified, including comments from the Principal and/or Superintendent of Student Achievement and any follow-up action that is scheduled or contemplated. The reviewer/auditor may also comment on the impact and/or risks of not implementing corrective measures.

The follow-up report should be issued on a timely basis.

CHARITABLE DONATIONS

Background

The Canadian tax system encourages taxpayers to support the activities of registered charities by allowing an income tax credit to be claimed by a donor. Hamilton-Wentworth District School Board's Foundation (the "Foundation") is a registered charitable organization and accepts donations on behalf of the Board and its schools.

Objective

- To describe:
 - The types of donations that qualify for tax receipts.
 - The types of donations that do not qualify for tax receipts.
 - A process for issuing tax receipts.

Specifics

1. Definition

A charitable donation for which a charitable donation receipt can be issued is a voluntary transfer of property or cash without valuable consideration (benefit of any kind), being received by the donor.

A donation is made when **all three** of the following conditions are met:

- a) Property or cash is transferred by a donor to the Foundation:
 - Cheques should be made payable to Hamilton-Wentworth District School Board's Foundation. Cheques should not be made out payable to the school.
 - Note: Contribution of services (e.g. times, skills, effort), does not qualify for a donation receipt. There is nothing to prohibit the Board from paying for services and later, the Foundation accepting all or a portion of the payment back as a cash donation, provided that it is returned voluntarily.
- b) The donation is voluntary.
- c) The donation is made without expectation of a return:
 - No valuable consideration (no benefit of any kind), to the donor or to anyone designated by the donor may result from the donation.
 - Donations made to the Board can be subject to general direction (e.g. to the benefit of a specific school) but cannot be directed to the benefit of a specific individual.

2. Gifts in Kind

A gift in kind is a donation other than cash. It does not include a gift of services. Examples, which would qualify, are computer equipment, books, furniture, etc.

The date of donation is the date that the donor transfers legal ownership to the Board. This may not be the date of physical delivery, since an object may be on loan to the Board before the date of donation.

For donations of “gifts in kind,” the Foundation may issue a charitable donation receipt stating the fair market value of the donation once the object has been appraised.

For **new items**, the donation receipt will be for an amount equal to the original invoice amount, less HST.

For **used items**, the amount of the donation receipt will be based on the appraised fair market value of the item.

Although fair market value is not defined in the Income Tax Act, the generally accepted meaning is the highest price, expressed in terms of money that the property would bring in an open and unrestricted market between a willing buyer and a willing seller, both of whom are knowledgeable, informed and prudent and who are acting independently of each other.

The person who determines the fair market value of the property must be independent of the transaction, competent and qualified to evaluate the particular property being transferred by way of a donation. They must also put their evaluation in writing.

Property of little value will not qualify as a “gift in kind.” Used clothing would be an example of a non-qualifying donation.

Alternatively, there is nothing to prohibit the school from paying for the item and later accepting all, or a portion of the payment back as a cash donation, provided it is returned voluntarily. In this case, the school should not pay above fair market value on the original purchase.

3. Inducements

The general rule that no benefit of any kind may be made available to the donor in recognition of their contribution does not include items of little or no value. For example, the school may wish to give the donor a small token as a gesture of appreciation. These items (e.g. a single flower, a pamphlet, a plastic pin, tag, envelope seals) have no resale value, and accordingly, such inducements are to be ignored; they do not disqualify the donation. However, an amount paid for chocolate bars, cookies, etc. is not a gift.

4. Charitable Donation Receipts

There are no regulations requiring the issuance of charitable donation receipts within a particular period; but it is suggested that they be issued at least by the last day of February, following the calendar year when the donation was made.

The more important date is the date of the donation. Donations received after the end of the year may not be added to the prior year's donations unless the donation was postmarked in the previous year. In other words, donation cheque must be dated on or before December 31st and mailed to the Board immediately. This applies to cheques written directly by a donor, as well as cheques payable by the school.

Charitable donation receipts issued will be mailed directly to the donor by the Foundation. Donations may also be made online, where an automated printable receipt will be made available electronically.

Charitable donation receipts will be issued for donations. The minimum amount receipted is determined by the Foundation, however, it is recommended receipts for amounts less than \$20.00 will be issued only upon request.

Caution

Schools, School Councils or other bodies affiliated with the school should neither have nor obtain Charitable Registration Status with Canada Revenue Agency.

Before indicating to a prospective donor that a tax receipt will be issued, the Principal must contact the Board office to assess whether the activity qualifies for a charitable donation receipt. Depending on the event, there may be circumstances where the full amount received may not be eligible for a charitable donation receipt.

LOTTERIES AND GAMES OF CHANCE

Background

Lotteries and games of chance are governed by the Criminal Code of Canada, which permits licensing of these activities. They may include bingo events, raffles, break open tickets and social gaming events.

The Alcohol and Gaming Commission of Ontario (AGCO) is responsible for administering the lottery-licensing program in Ontario. Municipalities, in Hamilton-Wentworth District School Board's case, the City of Hamilton, can issue licenses for the smaller lotteries and games of chance in which schools may be involved.

Objective

- To provide information for schools and School Councils so that they can readily comply with the rules and regulations of the Alcohol and Gaming Commission as they relate to lotteries and games of chance in which schools and School Councils may be involved.

Specifics

1. Application Process

Municipalities issue licenses for:

- Bingo events with prize Boards of up to \$5,500.
- Break open tickets for local organizations (Nevada tickets).
- Raffle lotteries for total prizes of \$50,000 and under.
- Bazaar lotteries which include - wheels of fortune with a maximum bet of \$2.00, raffles not exceeding \$500, and bingo events up to \$500.

If a school is involved in events that exceed these limits, they are required to obtain a license from the Alcohol and Gaming Commission of Ontario. This process is not covered in these instructions.

Detailed information about lotteries and games of chance, including Nevada tickets, can be obtained on the Internet at:

<http://www.hamilton.ca/CityDepartments/PlanningEcDev/Divisions/ParkingBylawServices/BusinessLicences/LotteryLicence/LotteryLicence.htm>

Contact the City of Hamilton, explain the type of activity contemplated and follow their instructions. It may be necessary for the school to undergo an eligibility review before a license can be issued. The license application should be prepared in the name of the school and signed by the Principal. The application may take a few weeks to a month, so start the process as early as possible.

Only the parent entity (i.e.: the school itself or the School Council, not a class or department within the school) can obtain a license. In addition, only the school or the School Council may obtain a lottery license, not both.

2. Banking

All licenses require that a separate bank account “in trust” be used for revenue and expenses. A single trust account may be used for multiple licenses, as long as the accounting system permits separate reporting for each license.

3. Reporting

A condition of all licenses is reporting on the financial activity of the project. Detailed reporting requirements are outlined in the license. Prior to starting the project, read all information very carefully to ensure that the school can provide the reports required. A separate bank account will also need to be setup in the accounting system to provide the required information and reporting. All separate bank accounts setup for licensing purposes must follow the same documentation requirements as the schools main School Generated Funds account.

4. Audit

All licenses provide for examination of the licensee’s books and records by the licensing agent. Therefore, records should be kept in such a way that an auditor would be able to find the required information easily.

Caution

The person who runs a lottery or game of chance without a license is subject to penalties under the Criminal Code of Canada.

Always check with The City of Hamilton before commencing one of these activities. If the person with whom you speak says you do not need a license for a particular activity, document the call with details including the name of the person, the date of the conversation and details of the conversation.

Lottery tickets should not be sold to persons under 18 years of age. Individuals must be 18 years of age or older to purchase a lottery ticket in Ontario.

ENTERING INTO CONTRACTS

Background

Board administration, in consultation with schools, will determine the extent to which schools can enter into individual school contracts. In many cases, Board policy, procedures and guidelines will establish the parameters regarding the dollar amount and the duration of contracts into which schools may enter.

All contractual agreements should be compliant with the Board's Procurement Policy and Policy Directive.

All contracts, other than day-to-day agreements (see #4 below) must be signed by a signing officer of the board, such as the Executive Superintendent of Board Operations or Chair of the Board. Principals should not sign on behalf of the board for any contracts.

Objective

- To define different types of contracts.
- To outline why some contracts require scrutiny.

Specifics

1. Corporate Sponsorship

Boards may enter into corporate sponsorships in order to enhance the educational opportunities for an improved learning environment for students. Corporate sponsors exchange goods, money or services in return for advertising or other benefits. This type of contract may be done on either a Board wide basis or at the local school level. In most cases, schools will not have the authority to unilaterally enter into this type of contract.

Sponsorship agreements will vary in nature depending on the situation; however, all agreements must be in writing. Agreements should clearly outline the expectations, roles and responsibilities of both parties. The agreement should be signed by a signing officer of the board. Please forward all corporate sponsorship agreements to the Executive Superintendent of Board Operations, or designate for approval.

Schools should refer to specific Board policies/practices and particular attention should be paid to Board purchasing policies.

2. Lease Agreements

Lease agreements, by their nature, usually extend over multiple years. Principals should not enter into a lease agreement for either goods or services, since the commitment for future expenditure may exceed the term of their principalship at that particular school. Where lease agreements are being contemplated at the school level, the original agreement should be sent to the Executive Superintendent of Board Operations, or designate for approval.

3. Vending Machine and Cafeteria Contracts

All contracts for vending machines and cafeteria operations are managed through Purchasing Services. Schools should not be entering into contracts directly with such providers.

4. Day-To-Day Contracts

The agreement to purchase a good or service constitutes a contract. While it is true that in most cases schools do not enter into long term contracts, certainly on a day-to-day basis, schools are within their rights to enter into contracts. For example, schools will regularly agree to purchase (contract for) a bus service to transport students to or from an event or excursion. Even in these normal day-to-day contractual situations, schools are still required to follow Board policies and procedures.

Some examples of contracts that schools will enter into on a day-to-day basis are:

- Yearbooks
- Agendas
- Busing (individual events)
- Picture Day

Schools should consult with Purchasing Services for advice as to whether or not there are preferred vendors for schools to use.

Any day-to-day contractual situations that cross over from one school year into the following school year should be sent to the **Executive Superintendent of Board Operations**, or designate for approval.

Caution

When a school contract for a good or service spans an extended period of time and/or commits to a significant amount of money, Principals must contact Purchasing Services to determine the appropriateness of such actions.

Contracts that are being contemplated may cover many areas of law and a poorly executed contract can cost the Board in both dollars and time. Among other things, consideration should be given to the following:

- Insurance
- Health and safety standards
- Competitive bidding
- Criminal background checks
- Conflict of interest

SCHOOL COUNCILS

Background

Under the Education Act Regulation 612, School Boards in Ontario are required to establish a School Council for each school within the Board. These Councils provide input to the Principal or the Board on any matter. The Principal is ultimately responsible for activities related to the school and therefore is responsible for School Council activities. Many School Councils are active in fundraising activities in the name of the school and as such are required to conform to the appropriate sections of Regulation 612 to the Education Act that deal with fundraising issues.

Objective

- To clarify:
 - Ownership of School Council funds.
 - Banking procedures.
 - Financial reporting requirements.
 - Record retention.

Specifics

1. Ownership of School Council Funds

The Ministry of Education's document, *School Councils: A Guide for Members (2002)*, states **"School Councils should be aware that, because the school board is a corporate entity and the school is not, any funds raised by the school council (and any assets purchased with those funds) belong, legally, to the board."** Fundraising for schools by School Councils is a collaboration between the school, the Board and the fundraising group. The full document can be viewed at:

<http://www.edu.gov.on.ca/eng/general/elemsec/council>

The Administrative Memorandum: Procedures for School Generated Funds addresses the recording and reporting of School Generated Funds. It is not intended to replace the decision making process that currently exists at the school regarding the generation and/or expenditure of funds. School Councils can continue to raise funds and make decisions about the use of funds in the same way as before. The Assistant Deputy Minister, Business and Finance Division from the Ministry of Education sent a memo to all School Boards in 2004 to clarify this issue. A copy of this memorandum is included at the end of this section.

All fundraising activities and expenditures must be conducted in accordance with Board policies, Ministry guidelines and municipal regulations. School Council activities must also align with the Annual School Fundraising Plan, prepared by the Principal. Particular attention needs to

be paid to policies on procurement, conflicts of interest, fundraising and other similar policies. This is clearly stated in *Regulation 612, section 22 to the Education Act*. Information relating to the purpose of the fundraising activity and expenditures incurred from the proceeds should be clearly communicated to the parents.

2. Banking Procedures

School Councils should not have a separate bank account. All deposits and disbursements should flow through the school bank account. The School Council (or designate) may have the option of being a signing officer on the school bank account for expenditures that will be charged to School Council funds. Where this is the case, the second signature should be that of the Principal. Any expenditure of School Council monies, particularly fundraising proceeds, requires the approval of the School Council.

To facilitate the payment for ongoing activities such as the payments for pizza purchased for resale on a Pizza Day, the School Council may authorize activities for which funds can be disbursed and reported at the next council meeting. Other disbursements, particularly those where fundraising proceeds will be spent, would require School Council approval prior to the initiation of the purchase.

The section in this manual dealing with Banking/Receipts/ Disbursements also applies to School Council accounts. For the security of the funds and to protect anyone handling money raised through School Council activities, all money needs to be counted and kept in the school for prompt deposit to the school bank account. Requests for disbursements from School Council funds must be accompanied by appropriate supporting documentation and approved by the Principal.

Any purchases made with School Council funds must also follow the Board’s Procurement Policy and Policy Directive.

3. Financial Reporting Requirements

Information in the form of monthly summary reports outlining the sources and uses of the funds and the current financial position of the School Council should be provided by the school for fundraising activities.

The monthly summary report should be presented at the School Council meeting and the minutes should note that it was received and approved. The school should ensure this information is shared with School Council on a regular basis. The report must be in summary format and should not detail funds received by any members of the school community for privacy reasons.

Regulation 612, section 24, of the Education Act, states that “every School Council shall annually submit a written report on its activities to the School Principal of the school and to the Board.” It further states, “If the School Council engages in fundraising activities, the annual report shall include a report on those activities.” The School Council may wish to use the Detailed

Transaction Summary Report to meet this reporting requirement.

In some schools, separate groups such as a parent teacher association administer fundraising activities. These groups, as subcommittees of the School Council, must follow the same processes prescribed for School Councils.

4. **Record Retention**

Regulation 612, section 16, of the Education Act, states that

“(1) A School Council shall keep minutes of its meetings and records of all of its financial transactions.”

“(2) The minutes and records shall be available at the school for examination without charge by any person.”

“(3) Subsections (1) and (2) do not apply to minutes and records that are more than four years old.”

As a matter of consistency with other financial record retention requirements, all records are to be maintained on Board premises for a period of seven years.

Caution

School Councils are reminded that *Regulation 612 of the Education Act* governs their activities, responsibilities and reporting requirements. Principals should monitor School Council activities to ensure compliance with the Regulation or Board policies and procedures.



**Hamilton-Wentworth District School Board
SCHOOL COUNCIL FINANCIAL REPORT
For the School Year Ending August 31, 2015**

Category	Opening Balance	Revenue	Expenditures	Ending Balance
SC Pizza	\$ 128.46	\$ 5,012.10	\$ 3,890.75	\$ 1,249.81
SC Milk	\$ 50.45	\$ 2,100.65	\$ 1,855.30	\$ 295.80
SC Pita Days	\$ 70.10	\$ 998.50	\$ 775.20	\$ 293.40
SC Fun Fair	\$ 400.85	\$ 1,877.60	\$ 1,492.54	\$ 785.91
SC Magazine Sales	\$ 685.63	\$ 3,465.90	\$ 2,974.75	\$ 1,176.78
SC General	\$ 1,028.41	\$ 197.40	\$ 537.89	\$ 687.92
Total	\$ 2,363.90	\$ 13,652.15	\$ 11,526.43	\$ 4,489.62

Items Purchased from School Council Fundraising Proceeds

- Contribution to School Agendas
- Classroom Projector - Room 3A
- Bus for Cross Country Fall Meet
- Outdoor Recess Equipment
- Subsidy for Grade 8 Year End Trip

SAMPLE

Ministry of Education
Office of the ADM
Business & Finance Division
900 Bay Street
22nd Floor, Mowat Block
Queen's Park
Toronto ON M7A 1L2
Telephone (416) 325-6127

Ministère de l'Éducation
Bureau du sous-ministre adjoint
Division des opérations et des finances
900, rue Bay
22 étage, Édifice Mowat
Queen's Park
Toronto ON M7A 1L2
Téléphone (416) 325-6127



2004:B4

MEMORANDUM TO: Directors of Education
Secretaries of School Authorities

FROM: Kevin Kobus
Assistant Deputy Minister
Business and Finance Division

DATE: April 22, 2004

SUBJECT: Reporting of School Funds

The purpose of this memorandum is to provide you with additional information that you may wish to share with your school councils and local communities about the implementation of PSAB accounting standards for school boards in Ontario.

As you know, the ministry issued a memorandum on March 24, 2004, informing boards that, effective with their 2003-04 financial statements, they will be required to adopt Public Sector Accounting Board (PSAB) recommendations for local governments as their financial reporting standard. This will bring their financial reporting into line with the provincial government, municipalities and the private sector in the use of generally accepted accounting principles (GAAP). The Ontario government uses PSAB for financial reporting and Ontario municipalities have been doing the same since 2000.

Moving to these new accounting standards will give a broader and more accurate picture of the financial affairs of school boards, increase public confidence in the management of those affairs and respond to questions about the appropriateness of current accounting practices. The change will also mean that boards will receive unqualified audit opinions on their financial statements, which will let them continue to borrow money at attractive rates. Without PSAB, boards would have received “qualified” audit reports and this would have resulted in reductions in their credit ratings.

As part of the move to the recognized accounting standard, school boards will be required to include in their financial statements the revenue, expenditures, assets and liabilities of all the organizations considered to be part of the “reporting entity.” This requirement is part of the reporting standard set by the accounting profession. Whether or not the organization needs to be included depends on the degree of control exercised over it by the school board, and this will be determined by each individual board in consultation with its auditor.

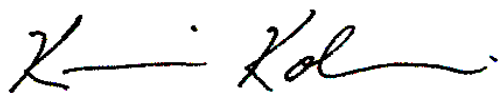
School councils are established under the authority of the Education Act. Section 22 of Ontario Regulation 612/00 provides for school councils to engage in fundraising activities, but requires that the activities be conducted, and the funds be used, in accordance with any applicable policies established by the board. Section 24 requires that the school council prepare and submit to the board an annual report on its activities, including fundraising activities.

School councils and local communities should know that the inclusion of school fund information in a board's financial statements will in no way alter the existing control and management of school-generated funds and activities. Nor will it alter a school's ability to use the funds for the purposes for which they were raised. School councils will still be able to raise funds and make decisions about the use of those funds in the same way as before.

The reporting of school funds in a board's financial statements will not affect the total amounts allocated by the province to school boards or the amount allocated by the province to any individual school board. Summary information on school funds will be presented at the board level. School fund information will not be reported in the financial statements on a school-by-school basis.

In the development of this initiative, school boards indicated that they needed more time to implement the required systems and procedures to allow them to include school fund information in their financial statements. They needed to work with their schools and school councils on creating appropriate reporting structures and making sure that the right training was in place. Acknowledging this, the ministry has given school boards a one-year delay to 2004-05 for the reporting of school funds and their inclusion in the boards' financial statements. The boards will have to prepare their 2003-04 financial statements under PSAB, but they will not be required to include school funds. Boards will need to start working with their schools and school councils as early as possible to gather the information they will need for their 2004-05 financial statements and to develop reporting processes and strategies for future years.

I encourage you to share this information with your school councils and your local communities to assure them that their fundraising efforts will not be affected by the upcoming changes in financial statement reporting practices, and will continue to benefit their children in their school community directly and, by extension, across Ontario.



Kevin Kobus
Assistant Deputy Minister
Business & Finance Division

cc. Superintendents of Business

STUDENT GENERATED FUNDS

Background

Student groups including Student Councils, clubs, athletics, interest groups, etc., often perform fundraising activities. Keeping track of the money raised and spent is considered an educational experience for the students involved. An advisor must supervise all student groups. Prior to the start of a fundraising activity, a plan detailing the specifics of the activity must be submitted and approved by the advisor and shared with the Principal. Student groups should have financial reports that show the results of their efforts.

Objective

- To clarify:
 - Ownership of Student Generated Funds
 - Banking arrangements for Student Generated Funds
 - Reporting requirements for Student Generated Funds

Specifics

- Student Generated Funds and any assets purchased with these funds belong to HWDSB.
- Banking transactions for Student Generated Funds should be integrated with the fundraising transactions in the School Generated Funds bank account.
- The accounting system should be such that transactions related to the Student Generated Funds activities can be reported separately.
- The reports for the Student Generated Funds should be the same as those set out in the section titled “Financial Reporting” but include just the transactions related to the Student Generated Funds activities. These reports should be made available for public review.

Note

Nothing in this section precludes student groups from keeping a separate set of records to enhance their educational experience. Such separate records can be used for comparable purposes with the office records of the school. However, the official records and all original documentation must be included in the school’s financial records.

HOME AND SCHOOL ASSOCIATIONS

Background

Home and School Associations exist as entities separate from District School Boards when they are constituted under the umbrella of the Ontario Federation of Home and School Associations. They may engage in fundraising activities to support the goals and objectives of their organization. The proceeds from these activities are not a part of School Generated Funds.

Objective

- To clarify the relationship between:
 - Home and School Associations and District School Boards; and
 - Fundraising by each of these entities.

Specifics

- Local associations are part of the Ontario Federation of Home and School Associations. The provincial association is a member of the Canadian Home and School Federation.
- Further information about these two federations can be found online at <http://www.ofhsa.on.ca> and <http://www.canadianhomeandschool.com/CHSF/Welcome.html>.
- The Home and School Association will hold its own bank account separate from the School Generated Funds account.
- Although the Home and School Association may engage in fundraising activities that support the school community, all decision making and responsibility for management of funds remain with the Home and School entity.
- A school may have both a School Council and a Home and School Association. The Principal may act as a liaison between both groups to ensure there is no duplication of effort.
- The Principal should be aware of fundraising activities of the Home and School Association and ensure they are being done in the name of the Home and School Association and not in the school's name.

CHANGES IN PRINCIPAL AND OFFICE ADMINISTRATOR/ FINANCIAL ACCOUNTS ADMINSTRATOR

Background

Changes in Principals and Office Administrators/Financial Accounts Administrators at schools may occur as part of regular school Board operations and should not affect the day-to-day administration of School Generated Funds.

Objectives

- To ensure that when the Principal or Office Administrative/ Financial Accounts Administrators changes, basic financial information is transferred.

Specifics

- The accompanying form is to be completed by the exiting Principal and/or administrative staff and a copy of the completed form is to be forwarded to the Executive Superintendent of Board Operations, or delegate, immediately. Where possible, it should be reviewed with the incoming Principal and/or administrative staff in person.
- The incoming Principal and/or administrative staff, upon receipt of the completed document, are to verify its accuracy and forward the original to the Superintendent of Business, or delegate. Any discrepancies should be clearly outlined.
- The Principal should arrange for the signing authorities to be updated with the financial institution. At least three, and up to four signing authorities are permitted on the school's bank account.
- It is strongly recommended that schools arrange to change safe combinations and/or passcodes whenever there is a change to the school's Principal and/or administrative staff. In addition, any keys required to access a safe or vault should be returned to the school upon transfer or retirement of that employee.
 - Principals and/or administrative staff should also advise the Board upon transfer or retirement so that access to electronic financial systems can be changed accordingly.
 - The Annual School Fundraising Plan should be shared with the incoming Principal to ensure they are aware of all commitments and upcoming fundraising activities within the school.
- New Principals and/or administrative staff are responsible for reaching out to staff in Business Services to ensure they receive training in their roles and financial responsibilities.



**Hamilton-Wentworth District School Board
Changes in Principal and/or SGF/Accounts Administrator**

School Name: _____

Incoming Name: _____

Outgoing Name: _____

Position Title: _____

Effective Date: _____

Bank Accounts and Investments (please attach a copy of the bank statement and/or investment certificate and an updated reconciliation of the account for all items below):

Description	Financial Institution Name and Address	Account or Certificate Number	Signing Authority	Balance at Transfer Date (per SchoolCash.Net)

Amount of cashbox assigned (A): \$ _____

Cash amount on hand as of transfer date (B): \$ _____

Receipts on hand as of transfer date (C): \$ _____

Verification of cashbox (B) + (C) must be equal to (A) (circle): Yes No

Signoff:

The information attached represents an accurate representation of the school finances as at the effective date noted above:

Signature of Exiting Principal and/or SGF/Accounts Administrator *Date*

I have reviewed the above information and agree that it appears to accurately represent the financial position of the school:

Signature of Incoming Principal and/or SGF/Accounts Administrator *Date*

Please record any comments/exceptions on the reverse side if applicable

Please forward an original copy of this form to Business Services.

EXTERNAL CHARITY FUNDRAISING

Background

An external charity is a charitable organization that is not related to the school Board. Schools often collect money for external charities as a way to teach students about community responsibility. Examples of these charities: Terry Fox Foundation and the Heart and Stroke Foundation.

There are occasions when a school may raise funds for a specific or unique community situation. An example of this could be a student whose home has burned down.

Objective

- To provide information and guidance:
 - For raising and distributing funds to external charities.
 - About the types of external charities to which a school can contribute.
 - About the Canada Revenue Agency (CRA) guidelines for contributing to external charities.
 - About raising funds for specific or unique community situations.

Specifics

1. Raising and distributing funds to external charities:

- The collection of funds for an external charity is a partnership between the school and the external charity. The partnership may be documented in writing which can be as simple as a letter of understanding between the school and the external charity.
- The external charity may provide the administrative processes for collecting the funds. In this case, the school should follow the directions from the external charity and request an accounting from the external charity of the total funds collected.
- Where the school provides the administrative process for collecting the funds, these Procedures should be followed.
 - All funds received must be paid directly to the charity within a reasonable time but at least before the end of the school year in which it is raised.
 - All payments to external charities must be paid by school cheques and be issued in the charity's name. Cheques should not be issued to an individual, unless there is a unique community-specific situation, or to a financial institution for the purchase of a money order.

If the school receives a tax receipt or other receipt from the external charity, this should be filed with the payment documentation in the school's records.

2. Types of charities allowed by the CRA

- Funds shall only be raised for charitable organizations that are “eligible” charities as determined by the CRA. These are usually registered Canadian charities/foundations but may be charities/foundations in other countries. The CRA has verified the legitimacy of the foreign charities/foundations that are on their list.
- A list of these charities can be found on the CRA website.
<http://www.cra-arc.gc.ca/charities/>
- If a school wants to contribute to an organization, such as an orphanage or school in a foreign country, which is not an “eligible” charity, they should find an “eligible” charitable organization that supports that organization and give the funds to that “eligible” charity.

3. Specific or unique community situations

- Usually these situations arise after the Annual School Fundraising Plan has been established at the beginning of the school year. Community agreement should be obtained through consultation with the School Council and documented in the minutes, even if after fact when an immediate situation arises.
- The revenue and expenses of the fundraiser(s) shall flow through the school funds bank account.
- The full net proceeds of the related fundraiser(s) shall be applied to the community situation.
- Evidence should be retained to support that the proceeds were paid to the appropriate beneficiary or party.

Caution

Contributions to other than “eligible” charities may jeopardize the charitable status of the school Board.

Schools should also be sensitive to charities they are fundraising for that are ineligible such as for political activities, groups or candidates, or other interest groups.

RELATED HAMILTON–WENTWORTH DISTRICT SCHOOL BOARD POLICIES AND ADMINISTRATIVE MEMORANDUM

Policies and Policy Directives

Community Use of Board Facilities/Properties 2.5
Equity and Diversity Pillar 1.0
Finance and Administration Pillar 3.0
Employee Expense 3.5
Fundraising 3.6
Procurement 3.7
Privacy and Information Management 3.13
Volunteer 2.11
Nutrition 4.3
Educational Excursions 7.2
Student Fees 7.7
Alcoholic Beverages on Board Premises Directive – Part of Policy 2.1 Community Engagement

Administrative Memorandum

Electronic Storage of Confidential Information B-01
Procedures for School Generated Funds B-02
Purchasing Card Program Procedures B-03
Gift Cards and Certificates B-04
Petty Cash Procedures for Schools B-06
Educational Excursions Tracking Chart SO-39
Issue and Use of Cellular Devices SO-45
Special Event Document SO-52
Conflict of Interest SO-44
Tablet Technology SO-54
Disposal of Surplus and Obsolete Assets SO-60

RELATED DOCUMENTS AND LINKS

Ministry Fees and Learning Materials and Activities Guideline

<http://www.edu.gov.on.ca/eng/parents/feesguideline.pdf>

Ministry Fundraising Guideline

<http://www.edu.gov.on.ca/eng/parents/fundraisingguideline.pdf>

School Food and Beverage Policy (Ministry of Education)

<http://www.edu.gov.on.ca/extra/eng/ppm/150.html>

Canada Revenue Agency – Verification of Registered Charities

<http://www.cra-arc.gc.ca/chrts-gvng/lstngs/menu-eng.html>

Ontario Federation of Home and School Associations

<http://www.ofhsa.on.ca>

Canadian Home and School Federation.

<http://www.canadianhomeandschool.com/CHSF/Welcome.html>

Alcohol and Gaming Commission of Ontario (AGCO)

<http://agco.on.ca/en/c.gaming/c.gaming.html>

School Councils

<http://www.edu.gov.on.ca/eng/general/elemsec/council/>

Broad Public Sector Procurement Directive (Additional School Board Training Modules also available) [https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/Attachments/BSPProcDir-pdf-eng/\\$FILE/bps_procurement_directive-eng.pdf](https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/Attachments/BSPProcDir-pdf-eng/$FILE/bps_procurement_directive-eng.pdf)

Broad Public Sector Expenses Directive

<https://www.ontario.ca/government/broader-public-sector-expenses-directive>

Ontario Association of School Board Officials (OASBO)

<https://www.oasbo.org/home/index/>

Education Act

http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90e02_e.htm



BUSINESS SERVICES DEPARTMENT
HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD
20 Education Court
Hamilton, ON
L8N 3L1