



Turtle River School Division - Administrative Procedure

Section E - Fiscal Management School Funds – Accounting Procedures

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SCHOOL FUNDS

In accordance with the Public Schools Act, Subsection 56(4) and under PSAB standards, the Board of Trustees affirms that the principal of each school may raise, hold, administer and expend monies designated as “school funds” for the purposes of the school.

Accordingly, the Board of Trustees charges the Secretary-Treasurer, and consequently school principals with the responsibilities for:

1. Ensuring that school funds are managed through prudent business practices, and
2. Maintaining accounting systems in accordance with generally accepted accounting principles and policies that have been approved by the Board.

School funds are comprised of two types of funds as described by the Schools’ Finance Branch policy on school funds:

Type A: school funds include moneys from all fund raising activities of the school, such as walk-athons, selling candies, etc., dances, hot dog days, school pictures, bottle drives, car washes, raffles, auctions, etc., etc. As these monies are raised by the school, or under auspices of the school, through extra-curricular activities for the sole use of that school, they are to be reported in the school division’s financial statements as School Generated Funds. Funds from cafeterias and vending machines that are operated by or contracted out by the student council are student council funds. Funds from cafeterias and vending machines that are operated by or contracted out by the school are Type A school funds.

Type B: school funds include allocations from the school division (per capita grants, budget allocations, specific purpose grants, etc.), vocational revenues (business education initiatives, etc.), and revenues from cafeterias and vending machines that are operated by or contracted out by the school division. These monies are often administered by the school division on behalf of the school; but in cases where the school administers them, they are considered to be Type B school funds and would fall under the guidelines for school funds. These funds are included in the school division’s Operating Fund and reported in the Division’s financial statements.

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SCHOOL FUNDS – RESPONSIBILITY

The Principal is responsible for all School Funds. Proper accounting consists of:

- Following prescribed procedures in collecting, receipting, depositing, recording, disbursing and reporting school funds.
- Maintaining complete and accurate records for all receipts and disbursements.

Although responsible, the Principal may have any other staff physically undertake the bookkeeping duties of school funds.

SCHOOL FUNDS – ACCOUNTING GUIDELINES

A. Bank Account

- All bank accounts should be a chequing account.
- Accounts shall require two signatures on all cheques, one being the Principal and the second being a staff/student representative.
- Secretary-Treasurer is to be notified if a new bank account is established and advised of the purpose of the account.

B. Receipts

- Consecutively numbered receipts should be issued for monies received and retained as part of the school records.
- When a significant number of students are required to pay for a specific activity (i.e. ticket or candy sales, hot dog day, etc.) a [Master Receipt](#) may be used for the group.
- For events where cash collections are received, monies should be counted by two individuals and forwarded along with a signed record of the money collected to the School Secretary/Principal who will issue a receipt.
- All funds are to be recorded in the financial records

C. Deposit of Funds

Monies should be deposited on the day they are received. When this is impossible impractical, funds are to be safeguarded by the Principal or School Secretary until the earliest time a deposit can be made. Funds should not be held for longer than one week.

In making a deposit the School Secretary will:

- Verify the deposit agrees with the total of receipts issued since the previous deposit.

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- Note the date and deposit amount on the last receipt covered by the deposit.
- Prepare a bank deposit slip in duplicate.
- Submit the deposit to the bank, which will retain the original copy of the deposit slip and will validate and return the duplicate for the School Secretaries files.
- Enter the deposit date and amount in the financial records.

Any loss of cash, including cheques, must be promptly reported to the Principal, the Secretary-Treasurer and to the appropriate law enforcement authorities if theft is involved or suspected. A written report must be subsequently submitted to the Secretary-Treasurer.

D. Disbursements

Disbursements are to be for the benefit of the school or student body. Disbursements for personal expenses that could be seen as a conflict of interest are prohibited. Purchases of Equipment and other large items should be made through the School Division to ensure compliance with the Division's Purchasing Policy and Procedures.

- All disbursements must be made by cheque, numbered and issued sequentially.
- All cheques must have two signatures. The signing of blank cheques or use of a signature stamp is prohibited.
- All cheque disbursements must be supported by invoices, vouchers and/or purchase orders approved for payment by the Principal.
- All invoices/vouchers should be checked for numerical accuracy, be marked or stamped "PAID" and have the date paid, cheque number and the approving signatures recorded on the invoice.
- Chequebooks should be updated when a cheque is written recording the date, payee and amount.
- Each cheque disbursement is to be recorded in the financial records in cheque number order.
- All invoices and/or requisitions should be kept and filed in numerical cheque number order.
- Prepaid items or expense advances should be limited to unusual circumstances and such items should be filed separately until an invoice or other appropriate document is obtained.
- Making cheques payable to "CASH" is prohibited.
- Miscellaneous items such as interest expense or income, etc. that appear on the bank statement should be recorded in the financial records monthly.

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E. Financial Reporting

- The bank statement shall be reconciled with the financial records and cheque book balance on a monthly basis when received. The Principal is to review the bank reconciliation, summary of receipts and summary of disbursements at this time. ([Bank Reconciliation Form](#)).
- The time period for the review of the above may be extended if there are few transactions but the bank reconciliation is required monthly.
- As of March 31st each year the school funds account(s) will be closed for the current fiscal period. In some instances, it may be beneficial to have the reporting year coincide with the school year (e.g. grad committee, drama etc.). The reporting period maybe changed for those accounts by contacting the Secretary-Treasurer. The School Secretary will prepare a [Cash Receipts and Disbursements Statement](#) for the year showing.
 - The opening bank balance April 1st
 - The total receipts for the year summarized into school functions or revenue sources.
 - The total disbursements for the year summarized into school functions or expenditure items.
 - The closing bank balance as of March 31st.
- A copy of [Cash Receipts and Disbursements Report](#) for the fiscal year, signed and dated by the Principal, will be forwarded to the Secretary Treasurer's Department along with a copy of the June 30 bank reconciliation.

F. Retention of Financial Records

The following schedule specifies minimum periods for retaining the school funds financial records.

- Current year and seven years' prior
 - Cash receipts and disbursement records
 - Financial Report signed by the Signing Officers
 - Cancelled cheques and bank statements
 - Duplicate Deposit slips
 - Bank Reconciliation
 - Vendors invoices and vouchers attached to duplicate cheques

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G. Other

- At no time shall a principal permit an overdraft in any school funds bank account unless there has been a specific clearly identified plan for removing same. Such a plan shall be made, in writing, by the principal and submitted to the superintendent and secretary-treasurer for their approval prior to the deficit.
- Purchase of items by the schools fund account for individual staff members is not permitted.
- If a cheque paid to the school is returned N.S.F. the party issuing the cheque should be contacted by telephone and where necessary followed up in writing. If collected this should be deposited separately and marked as "Re deposit." No entry is required for the transaction. If payment has not been received at the end of ten days, the original cheque and a list of efforts made to obtain voluntary payment should be forwarded to the secretary-treasurer with a copy being retained for the school records. The amount of the returned cheque should be entered as a reduction to receipts and posted in the cash receipts and disbursements record.
- If a cheque issued from the school fund is lost, a stop payment authorization must be completed at the bank and any costs related to the stop payment should be borne by the payee. A stale dated cheque may be replaced by a new cheque. In both instances an entry should be made in the cash receipts and disbursements records as a reduction before the new cheque is written and recorded. A complete explanation should be included in the financial records and on the cheque book stub.
- If a cheque issued from the school funds remains outstanding for more than one year without being cashed it should be cancelled and an entry made to the cash receipts and disbursements records with a complete explanation.
- Acquiring bank or credit cards in the name of the school is prohibited.
- Using signature stamps for cheques is prohibited.
- Establishing automatic payments within the school bank account without written approval of the Secretary-Treasurer is prohibited.

H. Audit of School Funds

The Secretary-Treasurer or designate will review compliance with these procedures on an annual basis. The procedure undertaken to conduct this review is outlined below.

Audit Objective:

The Secretary-Treasurer or designate shall provide a report verifying that these procedures have been followed and an opinion on whether or not receipt and disbursement statement fairly represents the school's funds for the year.

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1. To determine that all payments are properly supported and recorded in the synoptic;
2. To determine that all monies received are recorded and properly deposited in the bank
3. To determine that the synoptic is clerically accurate.

Objective Number 1

1. Check out the continuity of the returned cheques
2. Examine the returned cheques on a test basis and perform the following steps;
 - agree the amount of the cheque to the amount recorded in the synoptic;
 - see that the signatures on the cheques are the ones of the authorized signing authorities;
 - see that the cheque is properly endorsed;
 - examine the vouchers supporting the payment and agree the payee and the cheque amount to the details on the voucher.
3. Check the bank reconciliation by:
 - agreeing the bank balance to the bank statement
 - agreeing the total disbursements and total receipts to the final figures in the synoptic
 - checking the reasonableness of any other reconciling items.

Objective Number 2

1. Check the continuity of the cash receipts
2. On a test basis trace from the cash receipts to the synoptic
3. Agree the deposits recorded in the synoptic to the bank statement.
4. On a test basis review the signed statement of monies collected and turned in to the school secretary and trace to receipts.

Objective Number 3

1. On a test basis trace from receipt and invoice to the financial system to ensure consistency of posting.
2. Ensure that the monthly statements is balanced

The Secretary-Treasurer or designate may perform additional tests as deemed necessary to ensure the reasonableness and fairness in the reporting of the school funds.

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SCHOOL: _____ **DATE:** _____

TEACHER: _____ **EVENT:** _____

(Teacher's Signature)



Turtle River School Division

School Funds Bank Reconciliation Form

For the period _____ to _____

Name of School Fund: _____

Date: _____

OUTSTANDING CHEQUES		PRIOR MONTH REGISTER BALANCE	\$
CHQ	AMT	ADD:	
		DEPOSITS	\$
		INTEREST EARNED	\$
		OTHER	\$
		DEDUCT:	
		DISBURSEMENTS	\$
		SERVICE BANK CHARGES	\$
		INTEREST PAID	\$
		OTHER	\$
		END OF MONTH REGISTER BALANCE	\$
		BALANCE AS PER BANK STATEMENT	\$
TOTAL	⇒	LESS: OUTSTANDING CHEQUES	\$
		END OF MONTH REGISTER BALANCE	\$

Prepared By _____

Authorized by Signature _____



Turtle River School Division
School Funds Statement Worksheet

School: _____

Period Date: _____
Start Date End Date

Fund: _____

Opening Cash Balance

Line 1

TYPE A School Accounts "School Controlled Accounts"

Balance Type A Accounts in Opening Balance

Line 2

Revenue/Receipts (Fundraising)

Line 3

Revenue/Receipts (Regular Operating)

Line 4

Total Revenue/Receipts (Line 3 plus line 4)

Line 5

Expenses/Disbursements (Fundraising)

Line 6

Expenses/Disbursements (Regular Operating)

Line 7

Total Expenses/Disbursement (Line 6 plus line 7) Ending

Line 8

Balance Type A Account (Line 2 plus line 5 minus line 8)

Line 9

TYPE B School Accounts "School Non-Controlled Accounts"

Opening Balance on Type B Accounts

Line 10

End of Period Balance on Type B Accounts

Line 11

Difference on Type B Accounts (Line 10 minus Line 11)

Line 12

Ending Cash Balance Type A and Type B Accounts (Line 1 plus line 5 minus line 8 plus line 12)

Line 13

(Line 9 plus line 11 MUST equal line 13)

Prepared By

Approved by Principal

I hereby certify that the above
accurately reflects the balances
of controlled and non controlled
school funds as defined by the
Schools Finance Branch