

## ADMINISTRATIVE PROCEDURE

Business Administration

School Generated Funds

BUS #06

Revised: **October 2023**

### Background

Christ The Redeemer (CTR) Catholic Schools is accountable to its students, parents/guardians, and stakeholders, as well as Alberta Education for the management of school generated funds. School generated funds primarily consist of School Fees, Donations, and Fundraising, and are monies (i) raised by schools to cover events or programs including but not limited to, extra-curricular activities, fieldtrips, fundraisers, and other alternative programs; (ii) collected and retained at the school to pay for expenditures; and (iii) expected to be utilized in the year they are collected. School Generated Funds do not include Division retained fees. Division Retained Fees include international student fees, transportation, pre-kindergarten, full time ECS, and fees for optional courses. All revenue, expenditures, along with any carry forward amounts are to be recognized during the current year and come under the control and responsibility of the school Principal. Carry forward amounts are deemed “restricted” and will only be used for their intended purpose.

### Procedures

1. In this procedure the following definitions apply:
  - 1.1. “chart of accounts” means the authorized list of asset, liability, equity, revenue and expense accounts identified for use by schools in their school based accounting system.
  - 1.2. “school generated funds” means funds: (i) raised in the community that come under the control and responsibility of the school principal; (ii) used for student activities; and (iii) collected and retained at the school for expenditures paid for at the school level (such as yearbook sales, graduation fees, or field trip fees). School generated funds do not include fees collected at the school level for the Division such as instructional resource fees or program fees.
2. The Principal is responsible for the collection, retention, and reconciliation of school generated funds at the school level.
  - 2.1. The Principal must ensure there are adequate controls and procedures in place to safeguard assets and to ensure the accuracy and reliability of the accounting records for school generated funds.
  - 2.2. The Superintendent, or designate, will: (i) provide schools with accounting software; (ii) a standardized chart of accounts that must be used by all schools; and (iii) establish procedures for the processing and recording of school generated funds.
3. Schools are required to have a separate bank account for their school generated funds.
  - 3.1. All cash received at the school level must be properly accounted for through: (i) the issuance of a system generated or a pre-numbered hand-written receipt; and (ii) by abiding by the Division’s approved school fee funding template that includes details surrounding various fundraising initiatives and events. These templates must be reviewed and signed by authorized school personnel and uploaded to the school’s website on a continuous basis.
4. Controls required over revenues and expenditures:
  - 4.1. All receipts must be properly recorded in the accounting records of the school.
  - 4.2. Where cash or cheques are retained in the school overnight, they must be stored in a secure and safe location.
  - 4.3. Where monies received by the school are for a specific purpose, they must be: (i) recorded in a revenue account consistent with the stated purpose; and (ii) may only be spent for the stated purpose.
  - 4.4. All monies must be deposited intact into the school bank account on a regular basis.

- 4.5. Expenditures of school generated funds must be consistent with the purpose for which they were received.
  - 4.6. All expenditures from school generated funds must be supported by an itemized invoice or receipt which contains the following information: (i) date; (ii) subtotal, GST, and total amount; (iii) vendors GST registration number; and (iv) the vendor or supplier's name and address; and (v) detailed list of goods purchased or services provided.
  - 4.7. All purchases using school generated funds must be made in compliance with Division guidelines.
  - 4.8. Payment from school generated funds must be made by cheques issued from a school bank account or with a purchasing card issued by the Division.
  - 4.9. All expenditures of school generated funds must be recorded in the appropriate accounts.
  - 4.10. Where a cheque is voided, that cheque must be clearly marked "VOID" and retained for documentation purposes. Under no circumstances may blank cheques be pre-signed.
5. Controls over reconciling bank accounts and supporting documents to financial records:
    - 5.1. Accounting records will be properly documented, and adequate supporting documentation shall be maintained for audit and historical purposes.
    - 5.2. The bank account shall be reconciled each month by matching it to the bank statement which entails verifying all deposits, disbursements, and outstanding cheques. The bank reconciliation is then approved and verified by the Principal who confirms the funds in the account.
    - 5.3. Supporting documents and financial records are to be electronically stored on the school's accounting software, the Corporate Services SharePoint and school's Shared Drive.
  6. All accounting records must be retained, in accordance with records management procedures, for a period of seven (7) consecutive years. Division office consolidates and reviews all school generated funds on a quarterly basis and will audit the schools based upon a rotating cycle.
  7. Controls required over qualifying donations:
    - 7.1. Donations can be made through the division's SchoolCashOnline accounting system. The donor will receive a system generated tax receipt.
    - 7.2. Where a school receives a qualifying cash donation that requires the issuance of an official receipt for income tax purposes: (i) the donation must be forwarded to Corporate Services, where an official tax receipt will be issued to the donor; (ii) donated funds are then returned to the school; and (iii) the school may issue a written acknowledgement of the donation and inform the donor that an official tax receipt will follow. Donated funds will be accounted for and reconciled on a monthly basis.
  8. Fundraising activities are developed with the assistance from the school community and its students, staff, and parents/guardians.
    - 8.1. Fundraising initiatives should have a designated purpose and funds must be used for that purpose.
    - 8.2. Fundraising initiatives can be carried forward so long as a carry forward plan is established.
  9. Carry Forwards & Excess Funds:
    - 9.1. Carry forward amounts are permitted but should be expended within three years. The carry forward threshold amount equates to 3.5% of the school's site based operating budget. Exceptions to the three-year rule will be permitted for larger projects (i.e., playground equipment, technology). These projects must be managed in conjunction with the Corporate Services Department and a carry forward plan must be established to ensure compliance with timelines and requirements stated in this document. These long-term projects will be reviewed on an annual basis.
    - 9.2. Excess Funds - When the initiative is created in the school's accounting system, the Principal must include in the description the intention and process for the re-distribution of excess funds. This may include refunding a portion of the costs to parents/guardians or re-allocating the excess funds to a specific purpose. If the funds collected for an initiative exceed the total cost per student, the student's parents/guardians should be refunded; alternatively, the schools shall notify parents/guardians as to how they will spend any excess funds and provide parents/guardians with an option for reimbursement if the surplus amount is more than \$20 per student.

9.3. Schools will refund families for any unspent fees for students who leave, transfer, or withdraw from the school. Full disclosure is required for the fiscal year end of August 31st and reflected in Christ the Redeemer's Audited Financial Statements.

10. Special Cases and Definitions:

10.1. Extra-Curricular Sports activities should be user pay. Schools may subsidize from site based operating budgets, or make arrangements for fund-raising opportunities when appropriate. Coaches must prepare a detailed budget at the beginning of the season to share with players, parents, and administration, indicating the anticipated cost break down. This budget should include registration, tournament entry, travel expenses, hotel costs, etc. Individual meals need not be included in the budget, but will be at the expense of the individual. Coaches should include all potential costs, including zone and provincial championships etc., thus avoiding a revision late in the season. It is recommended in such cases that the school not collect these potential fees at the beginning of the season, but rather, when they become applicable.

10.2. Band students are responsible for rental costs or purchase of instruments, and replacement parts thereof, such as reeds and drumsticks. Families shall not bear the cost of purchasing music. Additional costs for travel, accommodations, meals, etc., are the responsibility of the student. Travel costs to off-site performances may be subsidized from the site-based operating budget when appropriate. Fundraising options and support options for students in need should be considered by administration.

10.3. Graduation is an integral component at the culmination of school completion. There are some fees that may be inherent in hosting a commencement ceremony. A fee may be assessed for things such as copies of the graduation photos, video or rental of a grad gown, venue rental, etc. Purchase of a graduation ring is considered a sale (see below). Attendance at a graduation banquet is an optional activity. School administration should consider costs and the ability for some students to pay when organizing graduations. Schools are to have no part in planning for grad parties, for liability reasons. Safe graduation activities can be an exception to the staff involvement rule, on a user pay basis.

Sales of items are not considered a fee. Items meet 'sales' criteria if: (i) the student is purchasing an item that they will own; and (ii) it must be an optional purchase.

Examples of sales include yearbooks, graduation rings, international trips, and any type of school clothing – if they are not mandatory. It is desirable to have the payments made directly to the third party, rather than making payments through the school.