ACCOUNTING FOR SCHOOL BASED FUNDS

Background

The Division recognizes its responsibility to account for and report school based funds its annual financial statements. The CFO will implement Public Sector Accounting Board principles.

In accordance with Section PS 1000 of the CICA Public Sector Accounting Handbook, the financial statements of the Division must reflect the full nature and extent of its resources, obligations, and financial affairs. In this regard, full nature includes school based funds under the control of the Board.

Control is inferred when the Board is in an authoritative capacity such as determining the purpose of the funds and its acceptable dispersal.

School-based funds applies to all funds that are received, raised, or collected in the name of the school or school activities.

Procedures

1. The classification of school-based funds will be determined by the Board considering the direction of the Ministry of Education and the Division's auditors.

2. The determination of control includes activities occurring at the schools such as:
   - 2.1 Fees for student materials, caution fees, activities, trips, band equipment rental;
   - 2.2 Student Representative Councils funds;
   - 2.3 Sale of goods such as yearbook;
   - 2.4 Canteen sales, milk sales, vending machine sales;
   - 2.5 Fundraising (e.g., bake sales, magazine subscription sales, drama performances);
   - 2.6 School Community generated funds (e.g., fundraising, donations) as well as funds transferred from disestablished local boards;
   - 2.7 Grants from third parties (e.g., nutrition program);
   - 2.8 Private donations;
   - 2.9 Other funds meeting the determination of control.

3. The CFO is responsible to the Director for the management of the school based funds processes of the schools and for reporting them in the Division's financial statements. The CFO shall prepare a School-based Funds Manual to be used to govern the accounting and reporting requirements and it shall contain:
   - 3.1 Guidelines for implementation and ongoing accounting and reporting requirements;
   - 3.2 Processes for collections and dispersals;
   - 3.3 School Audit program.

Reference: Section 85, 87, 109, 110, 175, *The Education Act, 1995*
Public Sector Accounting Board Handbook, Section 1000

Approved: May 12, 2014