



# CALGARY BOARD OF EDUCATION

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## Administrative Regulation 7004 - School Generated Funds

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**Preamble** The Calgary Board of Education is responsible to its students, parents, corporate partners, contributors, and to Alberta Learning, for the management of school generated funds. Based on the work of the Alberta Government Task Force on School Board Accounting in June 1997, Alberta Education stated that any involvement of a school management representative in an activity may be influential enough to identify the activity as a school generated funds activity.

**Purpose** 1 The purpose of this regulation is to establish guidance for schools to assist them in meeting their responsibility for the management of and accountability for school generated funds.

**Definitions** 2 In this regulation

(a) **“alternative accounting method”** means an accounting method for school funds using the Oracle system instead of the Quickbooks system;

(b) **“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;

- (C) **“due from school accounts”** means
- (i) decentralized accounts against which schools can charge salaries, goods and services to be paid from school generated funds and enables schools to take advantage of the purchasing power and existing resources of the Calgary Board of Education, as well as
  - (ii) decentralized accounts against which central office departments may charge amounts which that department has incurred on behalf of the school which are to be paid with school generated funds or with funds collected by the school on behalf of central office departments;
- (d) **“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 at the school level, such as yearbook sales, graduation fees, or field trip fees,
  - (iv) but does not include, fees such as the Instructional Resource Fee and Musical Instrument Registration fee, which are not retained at the school level and, therefore, are not considered school generated funds.

**Role of the principal**

- 3(1)** The principal is responsible for the collection, retention and/or expenditure of school generated funds at the school level.
- (2) The principal must ensure that there are adequate controls, financial and otherwise, to safeguard assets and to ensure the accuracy and reliability of the accounting records for school generated funds. This includes, but is not limited to, ensuring that:
- (a) the records are kept using Calgary Board of Education approved accounting software used only on computers at the school which are part of the approved architecture; and
  - (b) security measures such as vault or safe combinations and computer passwords are recorded and controlled according to Calgary Board of Education standards.

**Role of school councils or parent societies**      **4**      The principal or their Calgary Board of Education designate must ensure that under no circumstances does a school council or parent society collect and/or manage school funds or Calgary Board of Education funds such as Music Instrument Registration fees or noon supervision fees.

**Role of the Secretary-Treasurer**      **5**      The Secretary-Treasurer or designate will

- (a)      provide schools with accounting software and a standardized chart of accounts that must be used by all schools, and
- (b)      establish procedures for the processing and recording of school generated funds; and
- (c)      for schools that have opted to use the alternative accounting method, special procedures will be established to record and account for school funds using the Oracle accounting system.

**Procedures - revenues**      **6(1)**      The principal or their Calgary Board of Education designate must ensure that bank accounts are opened for their school-generated funds in accordance with procedures contained in Administrative Regulation 2044 - Banking. The number of these accounts should be the minimum necessary to conduct the school's banking efficiently. The principal must ensure that all school bank accounts and investment accounts are reconciled with the school's accounting records each month, that a school administrator reviews these reconciliations, and that the school's accounting records are uploaded to the Oracle General Ledger before the end of the following month.

(2)      The principal or their Calgary Board of Education designate must ensure that all monies received at the school level, except for donations in accordance with section 7, must

- (a)      be receipted in a two-part, pre-numbered receipt book, and
- (b)      the original of the receipt is the customer's copy.

(3)      All receipts must be properly recorded in the accounting records of the school.

(4)      Where cash or cheques are retained in the school overnight, they must be stored in a secure and safe location.

- (5) Where monies received by the school are for a specific purpose, they must be:
  - (a) recorded in the revenue account consistent with the stated purpose, and
  - (b) spent for the stated purpose.
- (6) If, for any reason, funds cannot be spent for the stated purpose, either in whole or in part, they may be spent for another purpose, as long as the express approval of the provider of the funds has been obtained.
- (7) All monies must be deposited intact, in a timely fashion, into the school-operated bank account.
- (8) Receipts that are subsequently voided must remain in the receipt book and be clearly marked as "VOID".
- (9) Receipt books are source documents for the accounting records and must be retained, in accordance with records management procedures, for a period of six years.
- (10) All revenues must be recorded in the appropriate accounts consistent with the chart of accounts and guidelines.
- (11) Except under special circumstances, a school should only accept and receipt amounts that are to be part of the school funds. Where there are special circumstances, they should be clearly documented and approved by the principal.

**Procedures - expenditures**

- 7(1)** Expenditures of school generated funds must be consistent with the purpose for which they were received, such as graduation, celebrations, off-site activities or the general school fees.
- (2) If the school generated funds were generated for general purposes, such as net revenues from a vending machine or a school store, expenditures must be approved by the principal and must benefit students.
- (3) All expenditures from school generated funds must be supported by an itemized invoice or receipt which contains the following information:
  - (a) the date of the transaction,
  - (b) the amount before GST, the GST and the total amount,

- (c) if for taxable supplies, the supplier or vendor's GST Registration Number,
  - (d) the vendor's or supplier's name and address, and
  - (e) a list of goods purchased or services provided, ideally with the price of each of the good(s) or service(s) indicated.
- (4) All purchases using school generated funds must be made in compliance with Regulation 7001 - Purchase of Goods and Services.
  - (5) Payment from school generated funds must be made by cheques issued on a school bank account established in accordance with Regulation 2044 - Banking, or as otherwise authorized by the Secretary-Treasurer or designate.
  - (6) All expenditures of school generated funds must be recorded in the appropriate accounts consistent with the chart of accounts and guidelines.
  - (7) Where a cheque is voided for any reason, that cheque must be clearly marked "VOID" and retained as an accounting record.
  - (8) Invoices, receipts, and cancelled cheques are source documents for the accounting records and must be retained, in accordance with the records management procedures of the Calgary Board of Education for a period of six years.
  - (9) Under no circumstances must blank cheques or purchase requisitions be pre-signed.
  - (10) The principal or their Calgary Board of Education designate must ensure that cheques are only issued to the school council or parent societies to transfer amounts received under circumstances described in Section 6(11) of this regulation.

**Procedures -  
due from school  
account  
transactions**

- 8(1)** Schools may have several due from school accounts:
  - (a) one for salaries and benefits;
  - (b) one for supplies, and
  - (c) one or more for noon supervision salaries and benefits.
- (2) Corporate Financial Services will provide each school with a Detail Due From School Report, which is a monthly report outlining current charges.

- (3) Payment of these account balances must be remitted within one month of the actual charge appearing on the school's Detail Due From School Report.
- (4) Where the school does not have the funds immediately available to pay the account balance, the principal must review the charge with the School Financial Operations section of Corporate Financial Services prior to the payment due date.
- (5) Payments must be remitted to Treasury and Revenue Accounting on a completed A41/A42 Summary of Accounts - Board Funds form (A41 for Senior Highs, A42 for Elementary and Junior High Schools).

**Qualifying donations**

- 9** Where a school receives a qualifying donation that requires the issuance of an official receipt for income tax purposes, in accordance with Regulation 7009 - Donations From the Community,
  - (a) the donation must be forwarded to Treasury and Revenue Accounting, where an official receipt for income tax will be issued to the donor; and
  - (b) the school may issue a written acknowledgement of the donation and inform the donor that an official receipt for income tax will follow.

**Fee schedules**

- 10** Where schools use a fee sheet template for communication to parents about the types and amounts of fees, the bottom portion of the document may be used as a receipt for issuance to parents.

**Collection of fees**

- 11(1)** For the collection of fees such as the instructional resource fee and general school fee, schools may use processes and methods that take into consideration staff workloads and past practice, but these processes and methods must involve the use of a class list or other student listing from the Student Information Record System (SIRS) to ensure completeness, and must include adequate and proper financial controls throughout.
- (2) The school may determine which list to use based on the collection process to be employed, such as a teacher collecting monies at the classroom level or mass collection in the gym, as used by some senior high schools.

- (3) Where the school uses the fee sheet template provided by the Calgary Board of Education, a two-part receipt is not required for each student/fee, as the bottom portion of the document may be issued to parents as a receipt. However, a two-part receipt must be issued for the total of fees collected for each bank deposit.

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<b>1<sup>st</sup> Amendment:</b>	March 17, 2005
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#### References

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| <b>Governance Policies:</b>                  | <ul style="list-style-type: none"><li>• Executive Limitation EL-8: Asset Protection</li></ul>  |
| <b>Administrative Regulations:</b>           | <ul style="list-style-type: none"><li>• 2044 - Banking</li><li>• 7001 – Purchase of Goods and Services</li><li>• 7009 - Donations from the Community</li></ul>   |
| <b>Calgary Board of Education Reference:</b> | <ul style="list-style-type: none"><li>• School Generated Funds available from Business Operations and Environmental Services - School Financial Operations, available in Public Folders/All Public Folders/Information Interface/Manuals and Documentation/School Generated Funds Manual</li></ul> |
| <b>Other References:</b>                     | <ul style="list-style-type: none"><li>• Supplementary Report of the Taskforce on School Board Reporting in Alberta (1996)</li></ul>  |
| <b>Contact Person:</b>                       | <ul style="list-style-type: none"><li>• Manager, School Financial Operations, 294-8207</li></ul>   |