

**SCHOOL-RAISED FUNDS****Category:** Finance and Administration**Effective:** August 2013**Policy Statement**

This policy establishes standards for the safeguarding, control and reporting of funds generated through fund-raising activities that operate at the school level.

**Application**

This policy applies to all schools.

**Definitions**

**Educational use** means a purpose related to education and includes co-curricular activities, extra-curricular activities, scholarships, prizes and equipment or materials that are not a part of the fundamental program provided by the Minister as free school privileges.

**School-raised funds** are monies that are raised within the school by various groups, from or in support of, extra-curricular activities, or pupil activities. (i.e., monies raised from school-wide projects such as dances or concerts, student council activities, hot lunch programs, athletic group events, or other group fund-raising events, such as magazine sales, car washes.)

**Conflict of Interest** means that an employee has engaged in a business or transaction of a financial or personal nature that has compromised, or appears to have compromised, the fair and honest discharge of that employee's official duties. See the Provincial Administrative [Policy 213 Conflict of Interest](#).

**Legal Authority****4.1** [Education Act](#)

28(2)(g) The duties of the principal include being accountable and responsible for funds provided to and raised for the school.

50.2(3)(b)(i) A District Education Council may expend in accordance with the regulations, such additional sums of money as are earned and retained by the District Education Council from sources specified by regulation.

**SCHOOL-RAISED FUNDS****Category:** Finance and Administration**Effective:** August 2013**Goals / Principles**

The goals of this policy are to ensure that schools have:

- appropriate administrative and accounting processes and controls in place with regard to the administration of revenues and expenditures of school-raised funds
- processes and procedures made available and communicated annually to those persons responsible for the various fund-raising activities during that school year
- relevant, accurate and complete information in order to make sound financial decisions, and that they are able to report back to the superintendent and the parent school support committee on how funds raised have been expended.

**Requirements / Standards****1. COMMUNICATION**

The Principal must ensure those policies, procedures and internal controls related to school-raised funds are made available to and communicated to persons responsible for fund-raising activities throughout each school year.

Principals must ensure that parents/public who are contributing to a fund raising activity will be informed of the intended use of money raised.

**2. USE OF FUNDS**

School-raised funds must be used for the purpose for which they were raised.

**3. SUPERVISION**

- a. Principals must ensure that personnel handling school funds comply with this policy.
- b. Principals must keep a current list of the bank account and any other investments/trust with a current list of authorized signing authorities for each.
- c. Principals must keep a current list of all employees responsible for school funds and fund raising activities.
- d. Principals must request an accounting of school funds from employees on a monthly basis and when each fund-raising activity is completed.

**4. ACCOUNTING****a. Retention of Surplus**

School-raised funds must not be in a deficit position, but schools can carry forward surplus balances from year to year.

**b. Banking**

Schools are only to hold one bank account approved by the school principal.

**SCHOOL-RAISED FUNDS****Category:** Finance and Administration**Effective:** August 2013**c. Borrowing of Funds / Loans Prohibited**

- i. Schools are prohibited from borrowing funds.
- ii. Schools are not to incur bank overdrafts nor obtain funding from lending institutions on a direct or indirect basis.

**d. Signing / Spending Authority**

- i. The principal must ensure that signing authorities for one bank account and payments from school-raised funds are established, documented, and approved by the principal or delegate.
- ii. Employees authorizing the purchase of goods or services are responsible and accountable to ensure that purchases meet the requirements for which the funds were raised and that sufficient funds are available before a liability is incurred.
- iii. Employees authorizing payment of invoices are responsible and accountable for the accuracy, authenticity and legality of payments.
- iv. The principal must ensure that spending authorities on school raised funds are established, documented and approved by the principal or delegate.

**e. Internal Controls**

The principal has the overall responsibility for organizing the development, implementation and maintenance of an effective internal control system that achieves, as far as practical, the orderly and efficient conduct of operations. Internal controls are required for revenue and expenditure control, the safeguarding of assets, the reliability of accounting records and the preparation of financial information. As a minimum, schools must implement the following internal controls to help prevent errors and losses from occurring:

- i. Cash handling, recording transactions and reporting duties are to be segregated to the extent possible.
- ii. All money collected from any source must be substantiated by numbered receipts, tickets, sales slips, class collection sheets, or other checkable records. Pre-numbered receipts, tickets, sales slips, etc. should be used. Any modification to a pre-numbered receipt shall be authorized by the Office of the Superintendent. All source documents must be retained for seven (7) years.
- iii. All monies collected must be deposited to the bank on a regular basis (minimally once a week, more often if large sums are involved).
- iv. All monies are to be kept in a secure location prior to being deposited.
- v. All expenses except petty cash are to be paid with pre-numbered checks. Only on the rare occasion where no alternatives exist should disbursements be made from cash. Disbursements by check or cash must be substantiated with a vendor invoice, sales slip or with a receipt signed by the person

**SCHOOL-RAISED FUNDS****Category:** Finance and Administration**Effective:** August 2013

receiving payment. Check numbers are to be recorded on payment documentation.

- vi. Two authorized signatures are required for bank account withdrawals, transfers, or checks.
- vii. Do not sign blank checks. The principal is responsible to establish the number of signing authorities that meet operational requirements.
- viii. The bank account must be reconciled on a monthly basis.
- ix. Voided checks and cash receipt forms must be retained for seven (7) years.

**f. Accounting Systems**

- i. Schools must use the financial information system approved for school use and supported by the district.
- ii. Schools must maintain accounting records that will provide adequate information for reporting of revenues, expenditures, and bank/cash balances on a monthly basis. The system will provide a complete record of every financial transaction in which the school is involved, and enable the school to account for funds or monies received and expended.
- iii. Financial Reports are provided to principals and other responsible persons on a monthly basis.
- iv. School-raised funds are recorded in the accounts of the Province.

**g. Retention of Financial Documents and Electronic Records**

- i. Financial documents are filed/maintained in an orderly manner and available for audit for the current and preceding seven (7) fiscal years.
- ii. Financial records, reports, banking documents, revenue and expenditure documents are to be kept in a secured area for seven (7) years. Consult the Office of the Superintendent on retention schedules for financial records to determine which documents and electronic records must be transferred to Provincial Archives for selective retention and the required method of disposition for other records.

**h. Financial Reporting**

- i. As a minimum, school principals must provide the following financial reports on school-raised funds to the superintendent on an annual basis:
  - A Category Umbrella Overview Report, (umbrella date range) reporting opening balance, expenses, revenues, transfers and ending balances.
  - March 31<sup>st</sup> Bank Reconciliation Report and a copy of March 31<sup>st</sup> bank statement.
- ii. As a minimum, school principals must provide the following financial report on school raised funds to the PSSC on a bi-annual basis:
  - A Category Umbrella Overview Report, (umbrella date range) reporting opening balance, expenses, revenues, transfers and ending balances.

**SCHOOL-RAISED FUNDS****Category:** Finance and Administration**Effective:** August 2013**5. FINANCIAL REVIEWS AND AUDITS****a. Comptroller and Auditor General Audits**

- i. Schools must accommodate the School District, Office of the Comptroller and the Office of the Auditor General in the exercise of their right to perform audits, reviews, and examinations of accounting practices.
- ii. A school must, within a reasonable period of time after receipt of the report on the results of the audit, implement the recommendations made in the School Internal Review and or the Office of the Comptroller and Auditor General.

**b. Ministerial Reviews**

- i. To ensure compliance with the [Education Act](#), regulations and departmental/district policies, the superintendent may appoint a person to investigate and inquire into any matter connected with the management, administration or operation of a school.
- ii. The superintendent, or delegate, is entitled to free access to files, bank accounts, documents, and records relating to the accounts of any school. The superintendent, or delegate, is also entitled to inquire and receive such information, reports and explanations as considered necessary for the purpose of the review or investigation.
- iii. The Office of the Superintendent will prepare a report on the results of the review, and may request the school take corrective action to comply with its obligations.

**6. CONFLICT OF INTEREST**

In compliance with [Department of Education and Early Childhood Education Policy 213: Conflict of Interest](#), there must not be, nor appear to be, any conflict between the private interest of the employee and the employee's responsibility to the public. This responsibility includes the following:

- a. Employees must avoid handling public funds when they are in a conflict of interest situation and when they could be perceived by the general public to be in a conflict of interest situation.
- b. Employees must not use school funds for any purpose that represents an accommodation, loan or credit to employees or other persons. All purchases of items, such as flowers and get-well cards, are to be made from personal or staff funds.
- c. Employees must report any conflict or appearance of a conflict of interest situation to his or her superintendent or designate.



**SCHOOL-RAISED FUNDS**

**Category:** Finance and Administration

**Effective:** August 2013

**Guidelines / Recommendations**

**1. THIRD PARTIES RAISING FUNDS IN THE NAME OF THE SCHOOL**

The principal of the school, prior to the event, should approve every third party (Home and School, Parent Support Groups, etc.) fund-raising effort in the name of a school. The financial results should be reported to the principal within a reasonable time period.

**2. FORMS FOR USE OF PRINCIPALS**

See Guidelines and Procedures for School-Raised Funds.

**District Education Council Policymaking**

In order to carry out their obligations under this policy, schools may develop policies and procedures with respect to administration of school funds that are consistent with, or are more restrictive than, this district policy.

**References / Related Policies**

- New Brunswick [Education Act](#)
- Department of Education and Early Childhood Development [Policy 101: Financial Responsibilities of School Districts](#).
- Department of Education and Early Childhood Development [Policy 213: Conflict of Interest](#)