



## BU-3530 School Funds Administration Procedure

**Approval Date: 2020**

**Review Date: 2025**

### 1. Purpose

Trillium Lakelands District School Board recognizes that there are many aspects of school life that involve the collection of money from students, parents and the community, and that the Board must ensure that such funds are administered in a manner that provides for appropriate accountability.

Proper accounting procedures and internal controls must be followed by schools and school councils to ensure the safekeeping of school funds and to protect Principals, Parents, and other Board Employees from charges of impropriety.

### 2. References and Related Documents

Internal

- [BU-3526 Charitable Donation Procedure](#)
- [ES-5046 Fees for Learning Material and Activities Procedure](#)
- [BU-3017 Petty Cash Procedure](#)
- [BU-3016 Procurement of Goods and Services Procedure](#)
- TLDSB School Generated Funds Accounting Procedures Handbook

External

- Ontario Association of School Business Officials' – Guidelines for School Generated Funds

### 3. Terms and Definitions

**Invoice:** A business form representing a purchase of goods or services on account.

**Bank Reconciliation:** A routine procedure to find out the reasons for a discrepancy between the balance on deposit as shown by the bank and the balance on deposit as shown by the depositor.

**Audit:** An examination of the accounting records and internal controls of a business in order to be able to express an opinion about the business's financial position and results of operation.

**Voucher:** A business document that establishes the validity of accounting records.

**Deposit Control Form:** A control document to show the transfer of funds between the classroom and the office.

## 4. Administrative Procedure

### 4.1. School and School Council Funds

It is required that:

- Bank account will be in the school's name with dual signing authorities with three authorized signing officers, one of whom shall be the school Principal;
- Funds are kept in a single bank account that provides for the return to the school of cancelled cheques or cheque images. All cheques and cheque stubs should be numbered for reference purposes;
- Original Invoices are retained in a separate file in support of all disbursements;
- All funds collected are to remain onsite and stored in a safe location until deposited. All funds are deposited regularly and that a minimum amount of cash is maintained in the schools. All funds are to be deposited intact. Expenditures are not to be paid from cash collected;
- For all funds received, some form of internal control system should be developed that will stand up to the scrutiny of an audit to ensure that all funds received for deposit from fundraising activities are accurately accounted for. Refer to TLDSB's "School Generated Funds Accounting Procedures Handbook" and /or the Ontario Association of School Business Officials' "Guidelines for School Generated Funds" for further guidance;
- Schools will record all activity in a timely manner through their school funds bank account in the current Board approved school banking software – SchoolCash.net;
- A bank reconciliation be completed monthly, reconciling the balance in the bank account with the balance in the ledger taking into consideration outstanding cheques, bank service charges and any other internal bank entries. The preparer of the bank reconciliation must sign and date the reconciliation. The completed bank reconciliation and monthly trial balance must be reviewed, signed and dated by the Principal.
- A financial statement will be prepared annually with a copy available in the school and a copy forwarded to the Senior Manager of Financial Services together with a copy of the bank statement and bank reconciliation for the year end date;
- That there be an annual review of school financial statements by either an internal or external individual(s) appointed by the Principal whom is not an administrator of the fund, before submitting to the Senior Manager of Financial Services;
- All school fund records and supporting documentation be retained on file in a secure area for six (6) years plus the current year or until Finance authorizes destruction;
- Where funds are believed to be lost or stolen, the Principal shall immediately notify the Superintendent of Business;
- Funds raised by students for a desired purpose, should be used for the benefit of those students. If funds are being accumulated for future use (i.e. special capital projects), the Principal should let their Superintendent know about the reason for accumulating these funds (see ES-5046);
- Funds raised should only be used for students and not to fund operations where other funds are available.

It is recommended that:

- The cheque number is recorded on the corresponding invoice or voucher, and the Principal or designate should initial each invoice or voucher to signify approval;

- When volunteers have cash proceeds from fundraising activities, the money should be counted and the total initialed by two (2) volunteers. Cash should always be counted and the Deposit Control Form initialed by the volunteers and the Principal or designate for deposit;
- Efficient processes are in place to receive payments online for School Generated Funds. Online payment is the preferred method of payment for Trillium Lakelands DSB.

#### **4.2. Internal Audit**

Internal audits of school funds will be conducted on a periodic basis by the Regional Internal Audit Team or the Board's Finance Department.

#### **4.3. Third Party Funds Raised in the Name of the School**

Recognizing that similar responsibilities are associated with funds raised in the name of a school, parent or community groups involved in raising money for a school shall ensure that similar procedures are in place for those funds. The Principal of the school shall be one of the dual signing authorities when a separate bank account is established for a parent or community group.

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