



**SCHOOL GENERATED FUNDS
(STUDENT ACTIVITIES COUNCIL (SAC) AND SCHOOL FUNDS)**

Responsibility:	<i>Coordinating Superintendent, Business Services & Treasurer of the Board</i>
Legal References:	<i>Broader Public Sector Expenses Directive (Effective April 1, 2011) Broader Public Sector Supply Chain Guidelines</i>
Related References:	<i>Board Policy 4017 - Fundraising Administrative Procedure 4380 – Travel, Meals and Hospitality Expenditures Administrative Procedure 4490 – Waterloo Education Foundation Inc Administrative Procedure 4570 – Procurement FS-04-SF4 School Funds: Receipts FS-06-SF3 School Funds Receipt Log FS-04-SF2 Schools Funds Payment Request Single Source Resource</i>
Revisions:	<i>June 2016, October 2019</i>
Reviewed:	

1. Preamble

The following procedures provide guidelines and expectations regarding the handling of school generated funds, banking and management, maintenance of records and the required reporting for school generated funds.

2. Types of School Based Funds

- 2.1 **School Operating Funds** (often referred to as Schedule A money) are the budget funds received by the Waterloo Region District School Board (Board) from provincial grants and allocated to the schools. The actual funds are kept on deposit in the WRDSB's central account known as WRDSB. Each school has accounts as part of the WRDSB's overall financial system. Spending decisions are made and controlled by the school.
- 2.2 **School Funds** arise from fundraising, collections, commissions and rebates at the school itself. The money is under the control of employees and school administration. The funds are kept in central accounts and each school has accounts as part of the School Funds/SAC overall financial system. Disbursement decisions are made by school administration and records are kept at the school. See Section 5 of this procedure for the additional reporting requirements for bank accounts not included in School Funds/SAC K212.
- 2.3 **School Council Funds** arise from fundraising, collections, commissions and rebates at the school itself. Funds are raised on behalf of the school with the direct involvement of the local School Council or parent community along with the School Administrator. Expenditure decisions often require approval from the School Council members. Funds are combined with school funds (see Section 2.2) but in a designated account, or, in some cases, such as a "bingo account", a separate bank account is maintained for lottery accounts or School Council funds. Financial records are kept by the school or by School Council if they maintain a separate bank account. When a separate bank account is maintained, additional monthly reporting is required to be completed by school staff or the School Council and forwarded to Financial Services. See Section 5 of this procedure for

the additional reporting requirements for bank accounts not included in School Funds/SAC K212.

- 2.4 **School Generated Funds** consist of both School Funds/SAC Funds and School Council Funds.
- 2.5 **Scholarship Funds Donated to Schools** deal with funds bequeathed/donated to the WRDSB for the purpose of setting up scholarship funds. These donations are forwarded to Financial Services and deposited into separate accounts within the WRDSB's Scholarship fund. Tax receipts can be issued for these donations.
- 2.6 **Funds Donated to Schools** deals with donations made to a particular school either for a specific purpose or for general use. These donations are forwarded to Financial Services and deposited into the WRDSB's charitable fund known as the Waterloo Education Foundation Inc. (WEFI). Tax receipts can be issued for donations of \$15.00 or more.

3. General

- 3.1 This procedure applies to both School Funds/SAC (2.2 above) and School Council Funds (2.3 above).
- 3.2 Purchases made using School Funds/ SAC or School Council Funds must comply with all WRDSB policies and procedures.
- 3.3 Amounts carried forward into the next year should be kept to a minimum unless it is part of a multi-year fundraising initiative. When schools have significant funds remaining in their account, a formal plan to spend the money should be developed. It is not appropriate to retain funds for an indefinite period of time.
- 3.4 A deficit in a school generated fund is not permitted. Should a deficit arise, a plan should be put in place to address the deficit in a timely manner.
- 3.5 The Ministry of Education's (Ministry's) guidelines determine acceptable and unacceptable uses of school generated funds to be adopted by all school boards. The following are examples of acceptable school generated fund activities as set out in Ministry guidelines:
 - 3.5.1 Pizza days, hot dog days, bake sales, etc.;
 - 3.5.2 Fundraising Campaigns (chocolate bars/popcorn/freezer foods);
 - 3.5.3 Walk-a-thons, dance-a-thons, swim-a-thons, read-a-thons, etc.;
 - 3.5.4 Dress down days;
 - 3.5.5 School dances;
 - 3.5.6 School plays and concerts;
 - 3.5.7 Juice and milk sales;
 - 3.5.8 School clothing sales (e.g. gym uniforms and school memorabilia);
 - 3.5.9 School picture rebates/commissions;
 - 3.5.10 Excursion fees;
 - 3.5.11 Special school luncheons.
- 3.6 The following are examples of unacceptable school generated fund activities:
 - 3.6.1 Items that are to be purchased from the WRDSB's budget (e.g. classroom learning materials and textbooks);
 - 3.6.2 Monetary payments to employees for services;
 - 3.6.3 Gifts to employees;
 - 3.6.4 Staff professional development, travel, meal and hospitality;
 - 3.6.5 Investments other than those permitted by the WRDSB and Regulation 471/97 of the Education Act (eligible investments);
 - 3.6.6 Capital infrastructure improvements and maintenance or upgrades;
 - 3.6.7 Support for political activities, groups or candidates.
- 3.7 Staff funds must not be included with School Generated Funds or any other WRDSB funds.

- 3.8 Financial Services must be informed of capital asset purchases greater than \$5,000 (e.g. playground equipment, computers and signs).

4. School Generated Funds Roles and Responsibilities

- 4.1 School staff members are responsible for the following:
 - 4.1.1 Collecting money from students or other sources as applicable;
 - 4.1.2 Counting money collected and ensuring the funds are securely delivered to the designated individual as it was received;
 - 4.1.3 Reviewing monthly reports as they pertain to their individual accounts.

- 4.2 School secretarial staff are responsible for the following:
 - 4.2.1 The collection of cash and cheques;
 - 4.2.2 Recording deposits in the School Day deposit module using the appropriate GL accounts;
 - 4.2.3 Processing invoices for payment and maintaining appropriate supporting documentation such as invoices and receipts;
 - 4.2.4 The printing and distribution of cheques;
 - 4.2.5 Acting as one of the signing officers for the cheques issued (i.e. two signatures are required on all cheques);
 - 4.2.6 Preparing journal entries as required;
 - 4.2.7 Producing and reviewing financial reports as required;
 - 4.2.8 Assisting during an audit/review;
 - 4.2.9 Participating in WRDSB training related to school generated funds.

- 4.3 School administrative staff are responsible for the following:
 - 4.3.1 Ensuring that financial control is exercised over the use of funds and that funds are disbursed as per the intent of the funds raised or collected; this includes distribution of year end carryover funds;
 - 4.3.2 Ensuring compliance with all WRDSB policies and procedures;
 - 4.3.3 Acting as one of the signing officers for the cheques issued;
 - 4.3.4 Approving School Generated Funds journal entries
 - 4.3.5 Reviewing account balances, financial records and reports on an on-going basis;
 - 4.3.6 Notifying the Coordinating Superintendent, Business Services & Treasurer and the appropriate Superintendent of Student Achievement & Well Being if any problems arise;
 - 4.3.7 Ensuring that the school or any individual associated with the school does not enter into contracts in the name of the school or the WRDSB;
 - 4.3.8 Ensuring that the School Council Chair is aware of and understands their roles and responsibilities;
 - 4.3.9 Participating during an audit/review and ensuring implementation of recommendations.

- 4.4 Financial Services staff are responsible for the following:
 - 4.4.1 Uploading the daily deposits from School Day deposit module into the School Generated Funds accounting system;
 - 4.4.2 Reviewing journal entries and cancelled cheque requests forwarded from schools;
 - 4.4.3 Allocating interest earned on the School Generated Funds accounts on a monthly basis;
 - 4.4.4 Processing journal entries for School Day revenues and fees;
 - 4.4.5 Preparing the monthly bank reconciliation for the School Generated Funds and School Day bank accounts;
 - 4.4.6 Preparing and distributing the annual financial statements related to School Generated Funds and reporting to the Ministry.

- 4.5 School Councils are responsible for the following:
 - 4.5.1 Developing an annual fundraising plan;
 - 4.5.2 Providing details of School Council financial activities at School Council meetings;

- 4.5.3 The minutes of the School Council meetings should include the fundraising plan and details of financial activities for School Council funds.
- 4.5.4 At the end of the school year, the School Council must prepare and submit a written report to the school and to the WRDSB, outlining the goals, activities and achievements, including any fundraising activities during the year.

5. School Councils or Lottery Accounts Not Included in School Generated Funds K212

- 5.1 Banking (for Non-K212)
 - 5.1.1 A bank account must be setup in the name of the WRDSB as follows: Waterloo Region District School Board – name of the School or School Council.
 - 5.1.2 All bank accounts must have at least two signing authorities, one of whom must be the Principal (or Vice-Principal if designated by the Principal).
 - 5.1.3 The bank account should be one that provides a monthly bank statement along with returned cheques or cheque images.
 - 5.1.4 Cheque stock should be pre-numbered and indicate the school's name.
- 5.2 Investments (for Non-K212)
 - 5.2.1 Excess funds not required for day-to-day operations may be invested in a term deposit.
 - 5.2.2 The deposit must be held by a major bank or reputable credit union.
 - 5.2.3 Copies of any investment certificates must be sent to Financial Services with the annual year-end balancing report.
 - 5.2.4 Interest should be recorded in the appropriate revenue account.
- 5.3 Bank Reconciliations (for Non-K212)
 - 5.3.1 Entries for items such as bank fees, bank interest and NSF cheques should be recorded.
 - 5.3.2 Bank reconciliations should be completed monthly (balances should be verified that they agree with the amount reflected in the bank account and the amount in the school records) and signed by the Principal.
 - 5.3.3 The bank reconciliation, a copy of the bank statement and a listing of financial transactions should be reported to Financial Services monthly (failure to comply could result in a requirement to close the account).
- 5.4 Reporting (for Non-K212)
 - 5.4.1 In addition to the monthly reporting requirements, a Yearly Balancing report for each Non-K212 account must be completed and forwarded to Financial Services by the assigned date. This information is required for Ministry reporting purposes.

6. Records Retention

- 6.1 All records and documentation pertaining to School Generated Funds should be maintained in accordance with the WRDSB's retention schedule.
- 6.2 Generally, financial records should be retained for seven years.
- 6.3 For ease of access, records should be kept together and filed in chronological order by month and year. Cheque copies and supporting documentation (i.e. invoices/receipts) are best stored sequentially by cheque number.