
SCHOOL TRUST ACCOUNTS

- POLICY -

All funds collected and distributed by schools are included in the school district's financial statements as Special Purpose Funds. As such, these funds are subject to the same safeguards and accounting procedures normally expected for public funds.

SCHOOL TRUST ACCOUNTS

- REGULATION -

1. RESPONSIBILITY

All funds collected and distributed by schools are under the overall supervision of the School Principal. The Principal is responsible for ensuring that all funds collected and distributed by schools are being accounted for in accordance with this policy.

2. BANK ACCOUNT

Only one bank account is to be established in each school for the receipt and disbursement of all funds, including student fees, revenue from sales, and fund raising by student council, school-sponsored activities and teams. This account will be in the name of the school.

Schools having a higher balance than required to meet short-term obligations are permitted to transfer some funds to an interest-bearing account, G.I.C. or term deposit.

Disbursements may not be made from such an investment account, other than back to the regular school bank account. Under no circumstances shall there be more than these two accounts.

The bank account must have the Principal, the Vice-Principal (if applicable) and the School Administrative Assistant as signing authorities. All cheques issued must bear two authorized signatures. The principal is responsible for ensuring that a reconciliation of the bank account occurs within 20 working days of the bank statement date.

3. ACCOUNTING

All receipts and disbursements are to be recorded using accounting software approved by the Secretary Treasurer.

All transactions are to be allocated to sub-funds within the school trust account. The Principal is responsible for determining which sub-funds are required for accounting purposes. However, if grant, donation or fund-raising revenue is provided for a specific purpose, it is to be held in a sub-fund 'in trust' for that purpose. Disbursement of funds held 'in trust' should not be diverted from the intended purpose without prior approval from the provider of the funds.

School Parent Advisory Committees may delegate responsibility for bookkeeping and banking to a school, in which case the PAC funds become a sub-fund for that school.

3.1 Receiving Money

All revenue raised in the name of the school, through the activities of staff, students, parents or community, shall be deposited into the school bank account. Pre-numbered receipts are to be issued for all cash and cheques received. All funds received are to be deposited in the bank on a regular basis, and, in any case, large amounts of cash, other than the petty cash fund, are not to be left in the school. For isolated schools and those schools not able to do regular banking, a method of safekeeping should be formulated.

Cash received is not to be used for cashing employees' or students' cheques or for making expenditures. Schools are permitted to receive e-payments to a specific email account created for that purpose. The email account used must have auto-deposit activated and be accessible to both the principal and administrative assistant.

3.2 Spending Money

Pre-numbered cheques are to be issued for all expenditures from the school trust account. Cash disbursements are to be made from a petty cash fund and not from cash received. EFTs, e-payments or other electronic payments are not permitted from school accounts. If that type of payment is required, it should be arranged through the school district office and its banking facilities.

3.3 Documentation

Cancelled cheques, invoices, bank statements, receipts, financial reports and all other supporting documentation must be retained at the school to support all expenditures made and money received, for at least seven years.

4. REPORTING

4.1 Quarterly Requirements

Adoption Date: June 1990

Revised Dates: June 2002; October 2007, November 2024

A year-to-date summary of all receipts and expenditures, listed by sub-fund, is to be prepared by the school administrative assistant as of September 30, December 31 and March 31. The total amount in all sub-funds must be reconciled to the bank balance. Copies of this summary (signed by the Principal), the bank reconciliation, and the bank statement are to be forwarded to the Secretary Treasurer within 10 working days of the end of the quarter.

4.2 Annual Requirements

A summary of all receipts and expenditures for the preceding 12 months, listed by sub-fund is to be prepared by the school administrative assistant as of June 30 every year, and the total amount in all sub-funds must be reconciled to the bank balance. Copies of this summary (signed by the Principal), the bank reconciliation, and the bank statement are to be forwarded to the Secretary Treasurer by the end of the first week of July.

5. UNAUTHORIZED EXPENDITURES FROM SCHOOL FUNDS

Purchases or commitments from school trust funds that are not authorized by the Principal or Secretary Treasurer are not permitted (School Act, Section 163). Individuals who make unauthorized purchases or commitments from school trust funds, or who divert cash received by a school for any purpose other than deposit to the school's bank account, may be subject to disciplinary action or prosecution under the law.

6. AUDITS

The Secretary Treasurer or external auditors may conduct audits of all financial records in a school at any time. These audits will determine whether school accounting procedures comply with this Policy and its Regulation.

All records and supporting documentation will be available at all times for inspection by the Secretary Treasurer or the board's external auditors.

School trust funds are audited annually as part of the school district's external audit.