

Background

The Division recognizes that fundraising may be used to generate additional revenue to provide learning opportunities which can enhance educational services for students.

The Secretary Treasurer and/or designate is responsible for ensuring that all monies due the Division, whether from Alberta Education through grants, or from various local sources, are properly recorded and accounted for, including funds raised in schools.

All School Generated Funds are assets of the Division and subject to this administrative procedure.

Procedure:

1. School Generated Funds (SGF) are defined as funds collected, controlled and disbursed at the school level. These SGF include all funds raised by students that are controlled by School Division employees. Decisions on fundraising activities and the expenditure of fundraised dollars should be made in consultation with School Principals, staff, students, school councils and parents.
2. SGF should only be considered for specific purposes and must be used only for the purpose they were raised. Schools must provide detailed analysis of all surplus SGF including details of the specific purposes that the SGF will be used. In general, SGF surpluses should be kept to a minimum amount required for cash flow.
3. Funds raised should be used to benefit students, enhance the quality and relevance of education for learners and contribute to the development of responsible citizens.
4. Participation in fundraising activities should be voluntary.
5. Schools must account for SGF and must maintain full SGF records and keep them on file for seven (7) years.
6. SGF shall be subject to an internal audit on an annual basis. Accountability for fundraised dollars contributed to a school rests with the school board. However, schools should communicate with their school community about fundraising activities and should have summary financial statements which are reported to Division office staff and kept on file to provide information about income and expenditures related to these activities.
7. School Principals or designates are to submit an implementation plan for all internal audit recommendations for the preceding year by September 30th of the following school year.
8. All SGF bank accounts must be registered in the name of the school, with Pembina Hills Public Schools listed as a secondary name on the account. All bank accounts must provide for two signatures on all cheques, one of which should be the School Principal or designate.
9. All capital assets purchased with SGF are assets of the Division.

10. SGF must be used in the year they were generated, with the exception of multi-year proposals.
11. SGF must not be used to provide salary or expense reimbursement to any Division employees including casual employees. All employees' salaries and expense reimbursement must be processed through the Division financial system.
12. Funds received through donations (including scholarships) and grants must be processed through the Division financial system. Charitable receipts are issued for amounts equal or greater than \$50 and a specific purpose must be stated. A receipt for less than \$50 but greater than \$20 will be issued upon request.
13. At the end of each school year, the School Principal or designate shall submit a SGF Annual Statement detailing all the revenues and expenditures related to SGF.
14. Funds raised by a separate registered society beyond the control and responsibility of the School Principal are not SGF. However, once funds are turned over to the school, that receipt and subsequent expenditure, is SGF. Gift "In-Kind" rather than in cash should be reported as both a source and use of SGF at fair market value, unless valued at more than \$5,000 and capital in nature. Those are instead to be reported as gifts and donations to the Division.
15. The school shall:
 - a. Issue duplicate, numbered cash receipts for amounts equal or greater than \$20 and record all other receipts on a Cash Control Sheet.
 - b. Reconcile cash receipts to deposits on a regular basis.
 - c. Maintain supporting documents for all expenditures which shall be kept on file for audit purposes in a systematic manner.
 - d. Ensure the School Principal or designate authorizes all transfers of funds and a written record of this authorization shall be kept on file for audit purposes.
 - e. Make all payments by cheque.
 - f. Notify the Secretary Treasurer or designate prior to opening all bank accounts.
 - g. Ensure all cheques are signed by two (2) signing officers, one of whom is the School Principal or designate.

The following are some of the more common sources of SGF.

1. Fundraising activities. This category would include activities such as bingos and casinos, raffles, pizza days, dress-down days, student store sales, special events (school dances, drama performances, concerts, etc.), juice and milk sales, lunchroom/snack/milk programs, school clothing sales (e.g. track sweats, football jackets, etc.), school luncheons, specialty sales (magazines, newsletters, cookies, chocolate bars, cheese, etc.), walk-a-thons/swim-a-thons/read-a-thons/spell-a-thons, vending machine contracts, food kiosk contracts, telephone company pay phone contracts, sponsorships, cafeteria surplus available for school use, partnerships for the purpose of fundraising, and other similar activities which conform to Division policies and administrative procedures.
2. Student fees (Non-Instructional). Fees included in this category may include charges for field trips, activity fees for graduation, yearbook, student pictures, locks and locker rentals, student agendas, student unions, clubs, arts groups (art, drama, chorale, band), athletics, teams, uniforms, and other non-instructional fees. These amounts exclude fees charged for Credit Enrolment Unit-related activities and any fees collected pursuant to Section 60(2)(j) of the *School Act* for instructional supplies and materials (which instead are to be

reported as instruction resource fees in school budget accounts).

3. Donations and grants to schools. Donations and grants may include unrestricted school donations, contributions for graduation awards and scholarships, contributions from societies, and contributions to assist the school in purchasing targeted items, such as musical instruments, computers, library books, etc. This line includes any donations received and deposited at the school level for expenditures at the school level. These amounts are to exclude donations accounted for by Division office and reported as "Gift and Donations" in the Statement of Revenues and Expenses.
4. Other: This category is for reporting all other SGF sources that cannot reasonably be assigned to the categories provided and that meet the definition of SGF for student activities. Please describe what is included on this line.

The following are some of the more common uses of SGF.

1. Extra-curricular activities. This category includes resources, materials, and equipment for extra-curricular activities and clubs. Common applications included in this category relate to band, chorale, fine arts, athletic programs, student recognition programs and celebrations, etc.
2. Field Trips. This category is for SGF expended for field trips that are not required for basic instruction.
3. Other. This category is for reporting all other expenditures of Net SGF for purposes that cannot reasonably be assigned to the above categories. Please describe what is included on this line in the descriptor to this catch-all category.

Reference

[Form 3-18-A: Internal Audit Checklist](#)