



# Northeastern Catholic District School Board

## SCHOOL GENERATED FUNDS

Administrative Procedure Number: APB010

### POLICY STATEMENT

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The Northeastern Catholic District School Board (NCDSB) is committed to providing quality Catholic education and a range of learning opportunities to all learners. The NCDSB practices responsible stewardship of resources to support the delivery of Ontario curriculum expectations. The NCDSB recognizes that additional funds may be generated at the school level to further enhance school programs, activities, educational excursions, projects, or materials to enhance the overall experiences of its learners. Any such funds shall be received, raised, or collected in accordance with Board policies and municipal, provincial, and federal laws and regulations. Furthermore, the Board will ensure that all funds are adequately protected and all practices are exercised in a transparent and appropriate manner.

### REFERENCES

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Ontario Association of School Business Officials: *Guidelines for School Generated Funds*, 2014

#### NCDSB Policy

- B-8 Purchasing
- B-16 School Generated Funds
- E-28 Catholic School Councils

#### NCDSB Administrative Procedures:

- APB009 Purchasing

### DEFINITIONS

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#### **Annual Plan for School Generated Funds**

This plan shows the purpose to which the net proceeds will be applied, how the funds are intended to be raised, the amounts projected to be raised, and the associated fund raising costs.

#### **Fundraising**

A systematic collection of money or materials for the purpose of supporting Board and school based projects/activities, Church sponsored activities or charitable organizations for which the Board does not budget. Charitable fundraising initiatives are planned to raise money or collect goods for local or global needs as identified by the Board or the school and adhere to the moral teachings of the Catholic Church.

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## **School Generated Funds**

Funds that are raised and collected in the school or broader community in the name of the school. These funds are administered by the School Principal, and are raised or collected from sources other than the school board's operating and capital budgets.

## **Student Activity Fee**

Voluntary amounts that are used to supplement a student's school experience.

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## **PROCEDURES**

### **1.0 General Classifications of School Generated Funds**

There are four (4) types of school generated funds:

- i) Funds raised through board wide initiatives  
In this category, funds are raised through board wide initiatives.
- ii) Funds raised through local school initiatives  
In this category, schools raise funds and profits generated are usually retained at the school or donated to external charities.
- iii) Funds raised through Catholic School Council / Student Council  
In this category, funds are raised however the direct involvement of the Catholic School Council or parent community is evident or is done on behalf of and with the Student Council and/or the parent community. This category is identified separately because it often entails collaboration on expenditure decisions and disbursements when funds are raised jointly.
- iv) Funds donated to schools.  
This category deal strictly with donations made to a particular school either for a specific purpose or for general use.

### **2.0 Classifications of School Generated Funds (for EFIS Reporting Purposes)**

There are four (4) classifications for reporting purposes:

- i) Field Trips and Excursions
- ii) External Charities
- iii) Student Activities and Resources
- iv) Capital Assets

### **3.0 Acceptable and Unacceptable Uses of School Generated Funds**

- 3.1 All purchases made using school generated funds must comply with board policy and procedures.
- 3.2 Funds raised for school purposes are used to complement, not replace, public funding for education.

- 3.3 Fund raised must be used for the intended purpose as outlined in the *Annual Plan for School Generated Funds*.
- 3.4 Examples of Acceptable Uses of School Generated Funds:
- i) Pizza day, hot dog days, bake sales, etc
  - ii) Fundraising Campaigns
  - iii) Walk-a-thons, dance-a-thons, read-a-thons, etc.
  - iv) Dress down days
  - v) School dances
  - vi) School plays and concerts
  - vii) Juice and Milk sales
  - viii) School clothing sales
  - ix) School picture rebates/commissions
  - x) Excursion fees
  - xi) Books sales
  - xii) Special school luncheons
  - xiii) Public transit tickets
  - xiv) Games of chance (lotteries, bingo, raffles, Nevada Tickets, etc
- 3.5 Examples of Unacceptable Uses of School Generated Funds:
- i) Items that are to be purchased from the board's budget such as classroom learning materials, textbooks, etc
  - ii) Good or services from employees, where such purchases would contravene the *Education Act*
  - iii) Monetary payments to employees for services.
  - iv) Gifts to employees
  - v) Staff professional development/travel, meal and hospitality
  - vi) Investments other than those permitted by the board and Regulation 471/97 of the Education Act (Eligible Investments)
  - vii) Capital infrastructure improvements and maintenance or upgrades
  - viii) Support for political activities, groups or candidates

#### **4.0 Roles and Responsibilities**

- 4.1 Senior Business Official or Designate
- i) Establish guidelines for school generated funds
  - ii) Provide training to staff on the appropriate application of the guidelines
  - iii) Complete and/or follow up on audit/review reports as determined by board best practice
  - iv) Ensure accurate and timely completion of ministry reporting
  - v) Ensure that all school have suitable accounting systems and/or technology available for administering the school generated funds

#### 4.2 School Superintendent

- i) Reinforce to School Principals the need to adhere to board policies, procedures and guidelines
- ii) Ensure that schools are complying with the reporting requirements of the guidelines
- iii) Report to the Senior Business Official or designate if funds are lost, stolen, misused, or a failure to follow related policies and procedures

#### 4.3 Principal

- i) Ensure that guidelines are implemented in compliance with board policies and procedures.
- ii) Act as one of the approved signing officers on the school bank account(s).
- iii) Appoint the designated individual responsible for receipts, disbursements, banking, and record keeping.
- iv) Ensure that processes are in place to adequately control the funds within the school including security over cash and records.
- v) Ensure that no staff members or members of the community are collecting and managing funds in their own personal bank account or any other account not approved by the board.
- vi) Communicate responsibilities to staff members.
- vii) Ensure that there is a primary contact for each club or class involved with financial transactions.
- viii) Review, sign and date the monthly bank reconciliation.
- ix) Review records periodically. Question and determine how to address any shortages or overages associated with the various activities.
- x) Review records periodically. Questions and determine how to address any shortages or overages associated with the various activities.
- xi) Review, sign, and date the annual Financial Reports.
- xii) Distribute and/or make available the annual financial reports as outlined in the section on Financial Reporting.
- xiii) Notify the School Superintendent and the Senior Business Official immediately if funds are lost or stolen.
- xiv) Ensure that the school or any individual associated with the school does not enter into contracts in the name of the board.
- xv) Ensure that the Catholic School Council Chair is aware and understands their roles and responsibilities.
- xvi) Creation of the *Annual Plan for School Generated Funds*, and ensure that funds received are disbursed as per the intent of the funds raised or collected.
- xvii) Provide reports to Catholic School Council as required.
- xviii) Participate during audit/review and ensure implementation of recommendations.

#### 4.4 Designated Individual in the School

- i) Comply with the guidelines for school generated funds as directed by the School Principal and advise the School Principal or deviation from the guidelines.

- ii) Act as one of the approved signing officers on the school bank account(s).
- iii) Verify funds received for deposit.
- iv) Prepare bank deposits and deposit funds at the bank on a timely basis.
- v) Issue cheques ensuring that all requests for payments are properly supported and approved by the School Principal.
- vi) Record transactions on a timely basis.
- vii) Complete the monthly bank reconciliations.
- viii) Prepare transaction reports as required by the School Principal, staff, and Catholic School Council.
- ix) Maintain appropriate supporting documentation, and efficient filing system for records retention purposes.
- x) Assist during audit/review.
- xi) Participate in board training related to school generated funds.

#### 4.5 Staff Members

- i) Collect money from students or other sources as applicable.
- ii) Count money collected and record amounts, as required.
- iii) Ensure funds collected are securely delivered to the designated individual on a daily basis.
- iv) Ensure that invoices have the appropriate approval and are delivered to the designated individual for payment in a timely manner.
- v) Request and review transaction reports on a regular basis to ensure details of financial activity related to their class, club, or department are recorded correctly and that funds received are dispersed as per the intent of the funds raised or collected. Advise the designated individual of any discrepancy.

#### 4.6 Catholic School Council Chair

- i) Ensure fundraising activities involving the students and/or the school are in compliance with board policies and procedures and no direct or indirect benefit is derived by a member of the Catholic School Council.
- ii) Ensure that Catholic School Council members are aware that where conflicts of interest exist, they are disclosed.
- iii) Distribute and/or make available the annual School Council reports.
- iv) Collaborate with the School Principal on matters related to school generated funds.

### 5.0 Banking: Requirements, Receipts, Disbursements, and Reconciliation

#### 5.1 Banking Requirements

- 5.1.1 Each school will have one bank account which provides the school with monthly bank statements cut-off on the last day of the month, and cancelled cheques. This account will include all funds raised.
- 5.1.2 Where schools engage in Lotteries and Games of Change, a second and separate bank account must be maintained. All license require that a separate “in trust” bank account be used for revenue and expenses pertaining to the Lottery or Game of Chance. A single trust account may be used for multiple licenses as long as the financial information on each is reported separately.

- 5.1.3 The bank account(s) shall be established and registered in the name of the school.
  - 5.1.4 Short-term investments in guaranteed investment certificates (GICs) or term deposits with a bank, trust company or credit union are permissible. Investments will be registered in the name of the school.
  - 5.1.5 Bank service charges and costs of cheques are the responsibility of the school.
  - 5.1.6 Any bank accounts related to the school must have a minimum of three designated signing authorities, one of whom must be the Principal.
  - 5.1.7 All cheques must be pre-numbered, include a cheque stub, and contain two authorized signatures.
  - 5.1.8 Accurate and current accounting records with appropriate supporting documentation such as invoices, sales slips, returned cheques, or other documents as appropriate, must be kept for each bank account.
  - 5.1.9 Each bank account must be reconciled monthly.
  - 5.1.10 Internet banking is permissible only for viewing and downloading transactions.
  - 5.1.11 Banking cards that allow withdrawal of cash from an account cannot be used.
  - 5.1.12 All schools shall utilize and maintain the approved software, SchoolCash.Net.
- 5.2 Receipts
- 5.2.1 All money received at the school is to be stored on-site in a designated locked and safe location that has limited access.
  - 5.2.2 All money collected is to be deposited intact to the bank account promptly. Cheques received to be deposited will be itemized by issuer in SchoolCash.Net.
  - 5.2.3 Expenditures will not be paid from the cash collected. The total funds are deposited to the bank and a cheque is written to pay for expenditures.
  - 5.2.4 All monies will be counted by the individual responsible for coordinating the activity with the assistance of another staff member. The total funds will be recorded on the prescribed deposit slip or funds received form. The deposit slip/funds received form will be given to the secretary. The secretary will then count the receipts and initial the form indicating agreement with the amount. If the amount does not agree, the Principal will promptly investigate the situation.
  - 5.2.5 Cash should be counted in the presence of two individuals and initialed as such on the prescribed form.
  - 5.2.6 Duplicate bank deposit slips, stamped and dated by the bank will be maintained in the school office.
  - 5.2.7 No students will be responsible for cash deposits.
- 5.3 Disbursements
- 5.3.1 All payments must be approved by the Principal in advance of incurring the expense.
  - 5.3.2 All disbursements must comply with the Board's procurement policy and procedures.
  - 5.3.3 All disbursements should be recorded promptly.
  - 5.3.4 All payments should be made by cheque.

- 5.3.5 Payments shall only be made upon the presentation of original invoices, itemized receipts, vouchers, or other appropriate supporting documentations approved by the Principal or designate.
  - 5.3.6 Pre-signing of cheques is not appropriate. Signature stamps are not acceptable.
  - 5.3.7 The purpose for the disbursement will be recorded on the cheque stub.
  - 5.3.8 When a cheque is issued, the original invoice or receipt must be marked paid and the cheque number and date recorded on the original invoice.
  - 5.3.9 All payment will be made by cheque whenever possible. Partially completed cheques (no payee name or amount), cheques made payable to cash or payments in advance to employees are not acceptable.
  - 5.3.10 Reimbursements to School Principals should be approved by the appropriate Superintendent for proper segregation of duties and approval authority.
  - 5.3.11 Using the number control feature, all cheques shall be accounted for. Void cheques should be marked VOID and attached to the appropriate bank reconciliation.
  - 5.3.12 Unused cheques shall be stored in a designated, secure location in order to prevent loss or theft.
- 5.4 Reconciliation
- 5.4.1 The bank account(s) shall be reconciled on a monthly basis using the SchoolCash.net software
  - 5.4.2 Cheques not cashed within six months are considered stale-dated and should be reversed in the accounting records.
  - 5.4.3 The Principal shall review the monthly bank reconciliation, sign and date it and it shall then be filed with the official records of the school.
  - 5.4.4 Cheques that have cleared the bank shall be attached to the appropriate bank statement in numerical order.

## 6.0 Reporting

- 6.1 Annual Plan for School Generated Funds
  - 6.1.1 The *Annual Plan for School Generated Funds* is intended to show the purpose to which the net proceeds will be applied, how the funds are intended to be raised, the amounts projected to be raised, and the associated fund raising costs.
  - 6.1.2 The *Annual Plan for School Generated Funds* will be prepared at the beginning of the school year by the School Principal, after seeking out input from the school community.
  - 6.1.3 The *Annual Plan for School Generated Funds* will include all money generated in the name of, or under the auspices of the school, regardless of its source or use and indicate the following:
    - i) The purpose for which the net proceeds will be used and the anticipated total costs of the item(s) being fundraised for;
    - ii) The source of revenue;
    - iii) The time period during which it will be generated;
    - iv) The person or group responsible for the activity;
    - v) The anticipated fundraising proceeds;

- vi) The anticipated fundraising expenses;
- vii) The anticipated net proceeds.

- 6.1.4 A copy of the *Annual Plan for School Generated Funds*, signed by the School Principal, will be submitted to the appropriate Supervisory Officer.
- 6.1.5 The Supervisory Officer will review the *Annual Plan for School Generated Funds*, make recommendations for adjustments to the School Principal.
- 6.1.6 A copy of the approved *Annual Plan for School Generated Funds* will be kept in the school and used in conjunction with the review of the monthly and annual financial reports.
- 6.1.7 Communicate the plan with the school community.
- 6.2 The School Principal will engage in monthly review of the activities and ensure compliance to the collection and disbursement of school generated funds in accordance with the *Annual Plan for School Generated Funds*.
- 6.3 The monthly bank reconciliation statements will be reviewed and signed by the School Principal. Any questionable items should be investigated.
- 6.4 The Principal will complete a year-end report detailing progress made towards the *Annual Plan for School Generated Funds* and consider the plans for the next school year.
- 6.5 All related reports, along with bank statements, will be available to the board.

## **7.0 Annual Financial Reports**

- 7.1 An Annual Financial Report will be prepared by the Finance Department for each school for the period of August 1 to July 31. The reports will summarize receipts and disbursements in accordance with Ministry guidelines.
- 7.2 The Annual Financial Report will include the following:
  - i) SchoolCash.Net: Year end financial reports
  - ii) July 31 Monthly Bank Reconciliation
  - iii) Copy of the Bank Statement showing July 31 balances
  - iv) Report #5 – Overview Umbrella Category Summary
  - v) Investment reports/statements
- 7.3 The reports shall include all money generated in the name of or under the auspices of the school regardless of its source or use.
- 7.4 Principals will review the annual reports for accuracy and completeness and will sign the report as evidence of their approval of the same.



## 8.0 Change in School Principal and Administrative Staff

- 8.1 The appropriate documentation will be completed the exiting School Principal, using Appendix B *Change in Principal and Administrative Staff*. A copy of the completed document should be shared with the incoming Principal and reviewed accordingly.
- 8.2 The completed Appendix B *Change in Principal and Administrative Staff* will be sent to the Superintendent of Business.
- 8.3 The Principal will arrange for the signing authorities to be updated with the appropriate financial institution.
- 8.4 The exiting and incoming Principals should meet to arrange for the exchange of safe combinations and/or passcodes whenever there is a change in principals and/or administrative staff. In addition, any keys required to access a safe or vault must be returned to the school upon transfer or retirement of that employee.
- 8.5 The *Annual Plan for School Generated Funds* should be shared with the incoming Principal to ensure that they are aware of all commitments and upcoming fundraising activities with the school.
- 8.6 New Principals and/or administrative staff are responsible for ensuring they receive any required training in their roles as related to financial responsibilities.

## 9.0 Fundraising

- 9.1 All fundraising activities shall be under the supervision of the Principal.
- 9.2 The Principal must grant permission to any school club, Catholic school council, or fundraising organization to engage in any fundraising activity. All related activities must be conducted in accordance with the applicable policies, procedures, and guidelines.
- 9.3 Adjustments to the *Annual Plan for School Generated Funds* must be updated accordingly and revised versions sent to the appropriate supervisory officer and communicated to stakeholders as required.
- 9.4 All fundraising activities are voluntary in nature, and no student will be penalized or be denied any benefits, if they choose not to participate.
- 9.5 If an event or activity that funds have been raised for is cancelled, or if a student raises funds and is unable to participate, funds raised become the property of the school. No refunds of any kind shall be issued.
- 9.6 Privacy must be respected. The personal information of staff, students, or other individuals is not shared for the purposes of fundraising without prior consent.

- 9.7 The safety of students must be a primary consideration in all fundraising activities.
- 9.8 Student fundraising activities require supervision and should be age-appropriate.
- 9.9 The following best practices should be considered by the Principals when planning for, or implementing fundraising activities:
- i) Set a limit on the number of and extent of fundraising activities each school year;
  - ii) Limit the impact on classroom time for staff and students and administrative time required to properly deliver fundraising activities;
  - iii) Should be in support of student achievement and do not detract from the learning environment;
  - iv) Support and protect staff and volunteers from legal liability through practices that promote accountability for the handling and management of the proceeds raised from these activities;
  - v) Ensure that fundraising activities are developed and organized with assistance from the school community, including students, staff, parents, and community partners;
  - vi) Minimize administrative expenses associated with conducting fundraising activities.
- 9.10 When schools are planning and selecting capital projects which will be supported by fundraising activities the following best practices should be considered:
- i) Requiring a viability review that examines alignment with the Board's overall capital priorities and planning processes, the school improvement plan, and Ministry priorities;
  - ii) Analyzing costs for future maintenance and repairs;
  - iii) Restrictions related to conflict of interest and procurement policies.
- 9.11 The Principal must consult with the Superintendent of Business and/or the appropriate manager on capital projects and/or information communication technology acquisitions which will be supported by fundraising activities at the school.
- 9.12 Fundraising proceeds must be used in accordance with the *Annual Plan for School Generated Funds* and should be exhausted each year, unless there is a multi-year plan in place for a specified use.

## **10.0 Records Retention**

- 10.1 All reports shall be filed with the official records of the school generated funds for a period of not less than seven years.
- 10.2 All original documents, including paid invoices, cancelled cheques, bank statements, support for deposits and bank reconciliations shall be retained for seven years. It is recommended that the records of each year be boxed, labeled and stored in the school.

10.3 All school generated funds are subject to audit at any time by the Finance Department of the Board's auditors.

## **11.0 Online Payments**

11.1 The Principal and/or appropriate administrative staff member is responsible to ensure all charges are set up in the Online Payment Software and available for payment online. This must be done prior to any communication to families and/or students.

11.2 Families and/or students are encouraged to pay all charges online.

11.3 All documentation requesting payment must include the standard statement: The school encourages online payment for all fees and activities for students.

11.4 The availability of online payments includes but is not limited to:

- i) School generated funds;
- ii) Catholic School Councils;
- iii) Home and School Associations (where Board staff would normally be expected to handle the collection of funds);
- iv) Certain third-party vendors where arrangements have been made through Business Services (photography, spirit wear, tour companies, etc).

11.5 For all fees posted for online payment, the appropriate administrative staff member will ensure any amounts paid in excess of \$5 per student by alternative payment methods are assigned to the appropriate student in the accounting system. This will allow the school to run a payment report by student which includes all payment methods.

11.6 The Board's approved Online Payment Software will be used for accepting all online payments. Schools may not receive funds through accounts setup either directly by the school or indirectly through individual staff, where the payments have been processed by a non-Board approved payment processor or online website.

11.7 The Principal has the discretion to exempt fees from being posted online when:

- i) One-time, non-recurring activities or events (held only once during the school year);
- ii) The total amount collected from a student is under \$5.

11.8 All fees \$5 and above must be available for payment online. Similarly, recurring events where the amounts collected are small, must be available for payment online.

11.9 For families and/or students who are unable to use online payment software or such use of online payment software would result in undue hardship, alternative methods of payment will be accepted. Alternative methods of payment must be received directly through the school office. The school reserves the right to return alternative methods of payment not paid directly through the school office, which may result in the transaction for the goods, services, or other activities not being processed by the required timeline.

## 12.0 RELATED FORMS AND DOCUMENTS

FORM: Annual Plan for School Generated Funds

FORM: Change in Principal and/or Administrative Staff

Director of Education: *Tricia Stefanie Welty*

Date: June 2020