

SCHOOL GENERATED FUNDS (SGF)

Background

The Division recognizes that schools may deal with substantial sums of money gained through fund raising. Alberta Education has declared that it is the Board's responsibility to develop and maintain appropriate procedures to provide assurance that monies related to School Generated Funds (SGF) are safeguarded and proper records are maintained. Alberta Education requires information pertaining to SGF in the Budget Report Form and the Audited Financial Statements.

The April 1996 Task Force Report on School Board Reporting in Alberta qualifies SGF with the following statement: *If School jurisdiction management and /or employees are accountable and are in roles whereby the activities of these organizations are controlled by them (majority of directors, sole/joint bank signing authority, etc.) then the organization's activities are most likely SGF.* Funds that are raised by a registered society or are held outside of the school's accounts with no direct involvement of school or jurisdiction staff are not defined as SGF.

Definition

SGF are funds raised in the school and community that come under the control and responsibility of the school principal and are for student activities. These funds are collected and retained at the school for expenditures paid at the school level (e.g. student union, yearbook sales, graduation fees, field trip fees, etc.).

Fees for instructional supplies or materials charged under section 60 of the School Act are not SGF, nor does registered society revenue fall under the definition of SGF.

Procedures

1. The School Administrator(s) is accountable for all SGF collected at the school. Funds shall be adequately safeguarded through standardized accounting procedures and controls. SGF shall be accounted for in a manner consistent with the Division's accounting procedures (*SGF Accounting Manual*). These procedures have been put in place to direct and protect fundraisers, parents, school staff and school administrators in carrying out their responsibilities.
2. SGF must be utilized strictly for the purpose they were collected unless alternative uses have been communicated to, and approved by, the persons from whom the funds were collected.
3. SGF shall normally be used within a two-year period unless designated for a specific longer-term use, with input from School Council (or Advisory Committee, as described in the School Councils Regulation).
4. SGF shall not be used for the direct benefit of school staff.

5. Money received for scholarships or similar purposes shall be segregated from SGF and administered centrally by the Division.
6. School Administrator(s) shall provide to the Director of Finance and the school administrative assistant a report describing each SGF fund category by September 30th of each school year and when a new fund category is established.
7. A *Bank Reconciliation* form (106-1), accompanied by a copy of the applicable bank statement, shall be submitted during the operational year to the Director of Finance for the months of February and August. Reports shall be submitted by the 20th of the following month. The reports shall be presented in the format specified by the Director of Finance, which may be revised periodically.
8. All transactions shall be controlled and recorded in the school's accounting system and bank account and be subject to audit by the Division's internal and external auditors at least once every three years.
9. School Administrators may contact the Director of Finance to request an audit of school accounts.
10. School financial records should be audited in the event of a change of school administration or the school administrative assistant.
11. School Administrator(s) and staff shall not have signing authority or financial responsibility for groups choosing to administer their funds independently.
12. The school account activities & balances will be reported three times during the year to School Council/Advisory Committee and the staff, or upon request at any time during the year. These reports will be dated August 31st, December 31st, and April 30th. The reporting will be consistent to the standardized format referred to in the *SGF Accounting Manual*.

Supplemental Guide

To facilitate school based bookkeeping of SGF and to ensure compliance with audit requirements, each school in the Division shall implement internal controls over the administration of its SGF.

1. In order to ensure that Division records are up to date, all SGF bank accounts opened shall have the prior approval of the Assistant Superintendent - Business.
2. A minimum of two signing officers, one of whom is the Principal, shall be required on all bank accounts. When a Vice Principal position is at the school, they shall be the other signing officer. The School Administrative Assistant should only sign cheques during the absence of the Principal or Vice Principal.
3. Only one bank/financial institution account in the name of the school shall be used for all SGF.
4. The school office shall issue receipts for all monies received.

5. When funds (other than donations) are collected in classrooms, a summary list shall be remitted with the funds to the school office.
6. All cash received shall be reconciled to the receipts and deposited in the school bank account on a regular basis. All cash or cheques are to remain in the school and shall be kept in a safe or locked cabinet, until they are taken to the bank for deposit. Schools should make arrangements to utilize night deposit services when necessary. A deposit shall be made as frequently as necessary, but not less than weekly.
7. All expenditures shall be referenced to invoices or some form of request for payment. Authorization for payment shall ultimately rest with the Principal. The Principal may, however, delegate this responsibility if he /she so wishes to someone other than the School Administrative Assistant. Records of expenditures shall be kept on file at the school for audit purposes.
8. No payments are to be made to individuals for honorariums, salaries, wages, etc. Such payments are to be made using school budget funds processed through the Payroll Department, with subsequent reimbursement to the school budget from SGF.
9. All payments shall be made by cheque. Under no circumstances are blank cheques to be pre-signed.
10. The Principal shall authorize all transfer of funds. Written records of this authorization shall be kept at the school for audit purposes.
11. All SGF must be recorded using standardized accounting software as identified by the Director of Finance.
12. Schools must maintain full SGF accounting records for seven years.
13. All losses of SGF shall be reported immediately to the Assistant Superintendent - Business.

Resources: Form 106-1 SGF Bank Reconciliation
Form 106-2 SGF Cheque Disbursement
Form 106-3 SGF Fundraiser Summary
Form 106-4 SGF Funds Received From
Form 106-5 SGF Journal Entry Voucher

School Generated Funds Accounting Manual

Amended: October 2017