



# ADMINISTRATIVE PROCEDURES

## SUBJECT: SCHOOL GENERATED FUNDS

### 1.0 Definition of School Generated Funds

School Generated Funds are cash and cheques collected by students, school staff or outside sources which are required to be deposited and administered through a single school bank account. Exceptions to the single bank account principle may be granted where legislative requirements or special circumstances exist. The Principal shall contact the Manager of Financial Services for approval before establishing a second account.

### 2.0 Sources and Uses of School Generated Funds

Funds are generated in schools from a number of different sources and used in a number of different ways.

#### 2.1 Objective

To identify and categorize the sources of School Generated Funds to which these Procedures apply.  
To outline generally acceptable uses of these funds.

#### 2.2 Categories and Use of School Generated Funds

##### REVENUE

- Capital asset fundraising
  - All monies raised/received for the purchase of capital assets. If funds are received for the specific purpose of purchasing a capitalizable asset, the purchase of that asset would be recorded here.
  - Examples: fundraising towards the construction of playgrounds, school gardens, Smart Boards
- Field Trips/excursions (including admission, transportation and accommodation)
  - All monies raised/received to support the costs of in province or out of country excursions or any field trips (including admissions, bussing and accommodations).
  - Examples: trips to Science Centre, museum trip, trip to France, farm visit
- Fundraising for external charities (Registered Charities)
  - All monies raised/received in support of an external charity where the school provides the administrative process for collecting the funds. This charity would be registered with the Canada Revenue Agency.
  - Examples: Terry Fox Run, United Way.

- Student activities and resources (including fees)
  - All monies raised/received related to student activities and resources such as activity fees, support for student council/governments, events, resources or materials
  - Examples: student activity fees, support for extracurricular activities, graduation funds, student clubs.
- Other
  - Includes all items that do not fit under the umbrella components listed above.
  - Examples: general fundraising by the school or school council, interest on bank accounts and non-registered charities

#### EXPENDITURES

- Capital asset fundraising
    - Costs associated with the purchase of capital assets
    - Examples: purchase of playground equipment, Smart Boards.
  - Field Trips/excursions (including admission, transportation and accommodation)
    - Costs associated with out of province or out of country excursions, or any field trips (including admissions, busing and accommodations).
    - Examples: trips to Science Centre, museum trip, trip to France, farm visit.
  - Fundraising for external charities (Registered Charities)
    - Support of an external charity where the school provides the administrative process for collecting the funds. This charity would be registered with the Canada Revenue Agency.
    - Examples: cheques provided to the Cancer Society, United Way.
  - Student activities and resources (including fees)
    - Costs associated with student activities and resources (including school resources and supplies, library resources, sporting activities).
    - Examples: purchase of team uniforms, purchase of locks.
  - Other
    - Will include all items that do not fit under the Umbrella components listed above.
    - Examples: cheques written for purchases from general fundraising by the school or school council, bank service charges and non-registered charities
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- All purchases made using school generated funds must comply with board policy and procedures.
  - Funds raised for a specific purpose should be used for the intended purpose. Funds raised for a general purpose, with no specific intent must be used for school related activities at the discretion of the school Principal.
  - Expenditures related to each of the above sources shall not exceed revenue received from that source, except where prior approval is received from the Principal.
  - The accounting records should track each activity separately. If the activity is of an ongoing nature (like student activity fees), residual amounts in that category at the end of one school year should roll forward to the next year and not be used for another purpose.
  - Payments for benevolent purposes shall be made only for the benefit of students. An example of a benevolent fund payment would be the payment of the cost of a school field trip for students unable to do so themselves.

- **Unacceptable** uses of School Generated Funds includes, but is not limited to:
  - Items that are purchased from the Board's budget (e.g. text books, computers, classroom supplies).
  - Goods and/or services from employees, where such purchase would contravene *Section 217* of the *Education Act*.
  - Mileage reimbursement to employees
  - Monetary payment to employees for services
  - Gifts to employees
  - Gift Cards or Gift Certificates
  - Investments other than those permitted by the Board and *Regulation 471/97* of the *Education Act*

NOTE: Expenditures made from School Generated Funds that do not directly benefit the students in the school are subject to greater scrutiny and may require further justification to Board staff, Auditors, and the Ministry of Education.

### 3.0 Accountability – Roles and Responsibilities

The Board has a responsibility to ensure that all School Generated Funds are collected in accordance with Board policies and procedures, municipal, provincial and federal laws and regulations. This responsibility includes ensuring that all funds are adequately protected, that they are controlled through proper accounting procedures, and that accountability for the funds is maintained.

#### 3.1 Objective

To clarify the roles and responsibilities of the individuals involved in School Generated Funds to assist with the day-to-day operation, control, and management of such funds.

#### 3.2 Roles and Responsibilities

- Superintendent of Business or Designate
  - Establish procedures for School Generated Funds.
  - Ensure that schools have suitable accounting systems and/or technology available for administering the School Generated Funds.
- Superintendent of Education or Designate
  - Reinforce to Principals the need to adhere to Board policy and procedures relating to School Generated Funds.
  - Verify that the schools are complying with the reporting requirements of the Guidelines for School Generated Funds.
  - Follow up on internal audit reports prepared by the Finance Department which indicate problems with respect to the administration of School Generated Funds.
  - Report to the Superintendent of Business or designate:
    - ✓ if any funds are lost or stolen
    - ✓ any misuse of funds
    - ✓ failure to follow any policy or procedures
- Finance Department
  - Provide support and training to staff on the appropriate application of the procedures and software.

- Receive annual financial statement reports and analyze financial statements. Follow up with schools and copy Superintendent of Education with any concerns. Maintain a central file of financial reports as indicated in the Reporting section below.
- Conduct random reviews of School Generated Fund transactions processed in schools, which will include disbursements, deposits, analysis of cash collections and adherence to policies. A review report will be published to School Principals and copied to the School Superintendent, the Superintendent of Business, the Manager of Financial Services and the Secretary. Follow up will be completed on any recommendations.
- Keep schools informed concerning changes in applicable legislation.
- **Principal**
  - Ensure that the Procedures for School Generated Funds are implemented in compliance with the Board Administrative Procedure.
  - Ensure that processes are in place to adequately control the funds within the school, including physical security over cash and records.
  - Communicate responsibilities for receipts, disbursements, banking and record keeping with the School Secretary and other staff members.
  - Act as one of the approved signing officers on the school's bank account.
  - Ensure that no staff members or members of the community are collecting and managing funds in their own bank account or any other account.
  - Ensure that there is a primary contact for each club or class involved with financial transactions.
  - Review, sign and date the monthly bank reconciliation
  - Review account balances and income and expenditure activity periodically.
  - Review, sign and date the monthly financial reports and the annual financial reports.
  - Distribute and/or make available the annual financial reports as outlined in the section on Reporting.
  - Notify the School Superintendent and the Superintendent of Business immediately if funds are lost or stolen.
  - Ensure that the school or any individual associated with the school does not enter into contracts in the name of the school or the Board.
  - Ensure that the School Council chair is aware of and understands their roles and responsibilities with respect to School Generated Funds.
- **Vice Principal**
  - Act as one of the approved signing officers on the school's bank account
  - Other responsibilities as assigned by the Principal
- **School Secretary**
  - Implement the guidelines for school generated funds as directed by the principal.
  - Act as one of the approved signing officers on the school bank account.
  - Prepare bank deposits and deposit funds at the bank on a regular basis.
  - Provide all voucher slips and supporting documentation to the principal for approval
  - Issue cheques ensuring that all requests for payment are properly supported and approved by the principal.
  - Record transactions on a regular basis
  - Complete the monthly bank reconciliation within 30 days of the month end.
  - Prepare transaction reports as required

- Prepare monthly Financial Reports and submit to the Principal.
- Prepare the annual Financial Reports and submit to the Principal.
- Advise the principal of deviations from the guidelines outlined in this document.
- Liaise with teachers.
- Assist during internal/external audit.
  
- Teachers and Other Staff Members
  - Collect money from students and other sources as applicable.
  - Count money collected and record amount and intended use on the Funds Received Form.
  - Ensure funds collected and invoices for payment are brought to the school secretary on a daily basis
  - Ensure details of financial activity relating to their classes or club are recorded accurately
  - Ensure that funds received are disbursed according to the intent of the funds raised or collected.
  
- School Council Chair
  - Communicate with the Principal to ensure that the sources and uses of school generated funds comply with board policy and the established guidelines.
  - Ensure fundraising activities involving the students and/or school are in compliance with board policies and no direct or indirect benefit is derived by a member of the School Council.
  - Ensure that School Council members are aware that where conflicts of interest exist, they are disclosed.
  - School Council funds shall be included as part of the school bank account. School Council will not maintain a separate bank account. The receipt, disbursement, and recording of all transactions under the responsibility of the School Council shall follow the same procedures as those for in school transactions. School Council members should ensure that they review monthly, the transaction detail as provided by the School Secretary to ensure that transactions have been recorded correctly and funds used as indicated.
  - Distribute or make available the annual School Council financial reports.

#### **4.0 Banking**

All schools should have a bank account for school generated funds and a process to record transactions. It is essential that controls be in place to assist in the management of these funds.

##### **4.1 Objective**

To provide guidance with respect to the minimum School Generated Funds banking standards required recognizing the balance between limited staff and the need to meet basic security and reporting requirements.

##### **4.2 Bank account**

- The school should have only one “school generated funds” bank account.
- Exceptions to the single bank account would be granted where legislative requirements or special circumstances exist. The Principal will contact the Manager of Financial Services for approval prior to establishing the second account. The Principal shall review account

activity of the additional account periodically to ensure that it is appropriate for continued use.

- The bank account(s) shall be in the name of the school.
- Cheques for the school bank account(s) should be pre-numbered.
- The account(s) must require two signatures on all cheques.
- Bank account(s) established should be such that statements are issued on a monthly basis along with returned cheques or cheque images.
- The bank statement(s) should cut-off on the last day of the month.
- Internet banking is permissible only for viewing and downloading transactions.
- Since two signatures are required for all disbursement transactions, virtual banking shall not be used.

#### 4.3 Investments

- Where a school has excess funds, they may be invested in the name of the school as permitted by Reg. 471/97 of the Education Act (Eligible Investments) and Board Policy and Practices (i.e. term deposits, GIC's, etc.). These funds should be invested on a short term basis (i.e. less than a year).

#### 4.4 Bank Reconciliation

- Bank reconciliations must be completed monthly
- Cheques not cashed within six months are stale-dated and should be reversed in your records after issuing a stop payment to the bank.
- The principal shall review the monthly bank reconciliation, sign it and retain it on file.

### **5.0 Receipt of Funds**

#### 5.1 Objective

To ensure the security of incoming funds and protect those responsible for handling the monies received. Maintain accurate records on behalf of the school, Board and Ministry of Education.

#### 5.2 Receipts (Cash and Cheques)

- All monies received at the school is to be stored on site in a designated locked and safe location which has limited access.
- Cash collected at the school should be deposited to the bank on the same day that it is verified. Deposits should be made daily in order to minimize the School's exposure to loss or theft.
- All monies collected is to be deposited intact to the bank account. This means that expenditures are not paid from the cash collected. The total funds are deposited to the bank and a cheque written to pay for any expenditure.
- All staff collecting money must complete the attached "Funds Received Form" and forward both the money and the form together to the designated individual in the school office.
- Where possible, money should be counted in the presence of two individuals.
- When the funds have been counted and prepared for deposit by the designated individual, a copy of the "Funds Received Form", indicating the actual money count is returned to the staff member originally submitting the funds.
- You may use the same procedure for receipting funds received directly from individuals or groups not employed by the board.

- The “Funds Received Form(s)” must be filed with the school copy of the bank deposit form.

## **6.0 Disbursement of Funds**

### **6.1 Objective**

To ensure that funds are spent for the designated and allowable purpose

To protect those responsible for handling the disbursements

To maintain accurate records on behalf of the School, Board and Ministry of Education

### **6.2 Disbursements (Cheques)**

- All disbursements should be recorded promptly.
- All payments should be made by cheque.
- Pre-signing of cheques is not acceptable nor are signature stamps acceptable.
- Payments should only be made upon the presentation of original invoices, receipts or other appropriate supporting documentation approved by the principal.
- Original invoices or other supporting documentation must be marked paid and the cheque number and date recorded on the invoice, payments should not be made from company statements.
- Cheques made payable to cash or payments in advance to employees are not acceptable.
- Reimbursements to principals must be approved by their Superintendent.
- Using the number control feature, all cheques should be accounted for. Voided cheques should be marked “VOID” and retained. The word VOID shall be written across the face of the cheque and signature lines physically removed.
- Unused cheques should be stored in a designated, secure location in order to prevent loss or theft.
- Cheques not cashed within 6 months are considered stale-dated and should be reversed in the accounting records.

## **CAUTION**

Deviation from the above guidelines will leave the school vulnerable to potential problems. The need to have guidelines in place is often not recognized until something goes wrong. The goal is to have controls that ensure money is handled appropriately, that staff are protected and that records are accurate, up to date and useful. The controls are only as good as their enforcement. It is important that school administrators support and follow the established practices.

## **7.0 Reporting**

A substantial amount of money is generated in schools for the benefit of students. The Principal is accountable for the money to both the school community and the Board. Financial reporting demonstrates accountability and at the same time, provides information for decision making need by the school community and the Board.

### **7.1 Objective**

To provide a format for financial reporting including:

- The reports that are required and the fiscal period covered
- Who is responsible for preparing the reports
- What will be included in the reports
- When the reports will be distributed and to whom they will be distributed.

### 7.2 General Financial Reporting

- The Financial Reports shall be prepared under the direction of the Principal
- The reports shall encompass all money generated in the name of or under the auspices of the school regardless of its source or use
- The fiscal year for the reports shall be September 1 to August 31.
- The reports shall be reviewed by the Principal, signed and dated and shall be kept with the records for School generated Funds for seven years.

### 7.3 Reports

- At the end of every month and/or fiscal year, reports will be prepared summarizing the activity for that period. These reports will be reviewed by the designated individuals on a timely basis. The following sections provide a list of reports to be provided and appropriated period in which they will be completed and reviewed.
  
- Plan for School Generated Funds  
The Plan will be prepared at the beginning of the school year by the Principal after seeking sufficient and appropriate input from the school community. All monies generated in the name of or under the auspices of the school regardless of source or use should be reflected and the following should be documented:
  - source of the revenue
  - time period during which it will be generated
  - person responsible for the activity
  - anticipated proceeds
  - anticipated expenditures
  - anticipated net proceeds
  - purpose for which the net proceeds will be used

The Principal has flexibility to modify the Plan during the year in order to meet the needs of the school. A copy of the Plan should be kept in the school and used in conjunction with the review of the monthly and annual financial reports. It is recommended that the Plan for School Generated Funds be communicated to the school community.

- Category Umbrella Overview  
The Category Umbrella Overview Report provides a summary of revenue, expense and net balance for each category within the umbrella. The Report should be prepared by the school secretary for the period starting September 1 and ending at the end of each month. The Principal should review the report on a monthly basis, ensuring that expenditures do not exceed receipts, and that balances have been properly recorded.



- **Statement of Financial Position**

The Statement of Financial Position provides a summary of School Generated Fund assets and liabilities at a specific date and at year-end is used to facilitate the year-end audit process. The total assets should equal total liabilities and equity. The Principal should review this statement on a monthly basis to gauge the financial position of the school. The year-end report is signed by the Principal and submitted to the Finance Department with the year-end reporting.
  
- **Schedule of School Activities Fund**

The Schedule of School Activities provides a summary of School Generated Fund revenues, expenditures and net revenue (Expenditure) as well as the Change in Funds Balance. The Principal should review this report at year end and compare the fund balance to the bank reconciliation reports. The year-end report is signed by the Principal and submitted to the Finance Department with the year-end reporting.
  
- **Summary of Closing Balances for the School Year**

The Summary of Closing Balances for the School Year provides Opening Balances, Expense, Revenue, Transfers and Closing Balance for each Category of School Generated Funds. The year-end report is signed by the Principal and submitted to the Finance Department with the year-end reporting.
  
- **School Generated Funds – Audit Form**

The School Generated Funds audit form requests the Principals to confirm to the best of their knowledge all information has been provided for reporting School Generated Funds. This form is requested by the external auditor.

The year-end report is signed by the Principal and submitted to the Finance Department with the year-end reporting.
  
- **Bank Account Information Form**

The Bank Account Information form lists all accounts, groups or organizations that may be associated with the school. Public Sector Accounting Board requires the Board to include all accounts that are controlled by or deemed to be controlled by the Board in the financial statements. The Auditor will require documentation for all accounts not included in the main bank account but operating under the auspice of the school to determine if control exists.

The year-end report is signed by the Principal and submitted to the Finance Department with the year-end reporting.
  
- **Bank Reconciliation**

A Bank Reconciliation identifies and reconciles the general ledger balance to the bank statement at a specified date. The reconciliation should be prepared at the end of each month by the school secretary using the functionality within SchoolCash.NET. The Principal should review the Monthly Bank Reconciliation (including the list of outstanding deposits and outstanding cheques) along with the related bank statements, returned cheques and other items. Any questionable items should be investigated further.

- Month End Process (the Principal shall)
  - Ensure that the bank statement balance agrees with the amount reflected in the bank reconciliation.
  - Ensure the balance recorded in the school records for the bank account agrees with the bank reconciliation.
  - Review all adjustments (late deposits, outstanding cheques, miscellaneous charges) for legitimacy.
  - Ensure NSF cheques are taken into consideration when the bank reconciliation is completed.
  - Ensure the bank statement is attached to the bank reconciliation.

A copy of the year-end bank reconciliation (along with the bank statement) is signed by the Principal and submitted to the Finance Department with the year-end reporting.

#### 7.4 Records Retention

Accounting records, supporting documents, and monthly/annual financial reports are to be kept by a school for seven (7) years as per the dictates of the Canada Revenue Agency.

These records and documents include:

- Monthly bank statements, Month-End bank reconciliations, cancelled cheques
- Deposit books, deposit slips, deposit envelopes, voucher slips (with invoices, receipts or other supporting documentation attached)
- Accounting reports

It is recommended that the records of each year be boxed, labeled and stored in the school

### **8.0 Lotteries and Games of Chance**

Lotteries and games of chance are governed by the Criminal Code of Canada which permits licensing of these activities. They may include bingo events, raffles, break open tickets and social gaming events.

The Alcohol and Gaming Commission of Ontario (AGCO) is responsible for administering the lottery licensing program in Ontario. Municipalities issue licenses for the smaller lotteries and games of chance in which schools may be involved.

#### 8.1 Objective

To provide information for schools and School Councils so that they can readily comply with the rules and regulations of the Alcohol and Gaming Commission as they relate to lotteries and games of chance in which schools and School Councils may be involved.

#### 8.2 General

Municipalities issue licenses for:

- Bingo events with prize boards of up to \$5,500
- Break open tickets for local organizations (Nevada tickets)
- Raffle lotteries for total prizes of \$50,000 and under
- Bazaar lotteries which include - wheels of fortune with a maximum bet of \$2.00, raffles not exceeding \$500, and bingo events up to \$500

If a school is involved in events that exceed these limits, they are required to obtain a license from the Alcohol and Gaming Commission of Ontario. This process is not covered in these instructions. Detailed information about lotteries and games of chance including Nevada tickets can be on the internet at <http://agco.on.ca/en/c.gaming/c.gaming.html>.

### 8.3 Application Process

Contact the local municipality, explain the type of activity contemplated and follow their instructions. The application should be prepared in the name of the school and signed by the principal. The application may take a few weeks to a month, so start the process as early as possible.

### 8.4 Banking

All licenses require that a separate and distinct school bank account be used for revenue and expenses pertaining to the Lottery or Game of Chance. This is one of the rare instances where a separate bank account is required. Contact the Manager of Financial Services for approval to open a second account. A single trust account may be used for multiple licenses; however separate financial information must be reported for each license. The SchoolCash.NET software provides this functionality.

### 8.5 Reporting

A condition of all licenses is reporting on the financial activity of the project. Detailed reporting requirements are outlined in the license. Prior to starting the project, you should read this information very carefully to ensure that you are able to provide the reports required. Refer to the SchoolCash.NET software for the method to produce the required reports.

### 8.6 Audit

All licenses provide for examination of the licensee's books and records by the licensing agent. Therefore, records should keep in such a way that an auditor would be able to find the required information easily.

**CAUTION:** If you do not obtain a license for a lottery or game of chance, you are subject to penalties under the Criminal Code of Canada.

Always check with the municipality before commencing one of these activities. Document all verbal communications, especially if the person with whom you speak says a license is not needed for a particular activity. Document the call with details including the name of the person, the date of the conversation and details of the conversation.

## 9.0 School Councils

Under the *Education Act Regulation 612*, school boards in Ontario are required to establish a School Council for each school within the Board. These Councils are advisory bodies that may make recommendations to the school principal or the board on any matter. Many School Councils perform fundraising activities in the name of the school and as such are required to conform to the appropriate sections of *Regulation 612 to the Education Act* that deal with fundraising issues. The Principal is ultimately responsible for activities related to the school and therefore is also responsible for School Council activities.

### 9.1 Objective

To clarify ownership of School Council Funds, banking procedures, financial reporting requirements and record retention

### 9.2 Ownership of School Council Funds

The Ministry of Education document, *School Councils: A Guide for Members* (2002) states “School Councils should be aware that, because the school board is a corporate entity and the school is not, any funds raised by the School Council (and any assets purchased with those funds) belong, legally, to the board” Fundraising for schools by School Councils is a partnership between the school, the Board, and the fundraising group. The full document can be viewed at:

<http://www.edu.gov.on.ca/eng/general/elemsec/council>

This Administrative Procedure addresses the recording and reporting of School Generated Funds. It is not intended to replace the decision making process that currently exists at the school regarding the generation and/or expenditure of funds. School Councils can continue to raise funds and make decisions about the use of these funds in the same way as before.

All fundraising activities and expenditures must be conducted in accordance with Board Policies and Administrative Procedures. Particular attention needs to be paid to policies on purchasing, conflicts of interest and other similar policies. This is clearly stated in *Regulation 612, section 22 to the Education Act*.

### 9.3 Banking

School Councils should not have a separate bank account. All deposits and disbursements should flow through the school bank account and be tracked as a separate category within SchoolCash.NET. Any expenditure of School Council money requires the approval of the School Council.

The sections within this Administrative Procedure dealing with banking, receipts and disbursements also apply to School Council funds. For the security of the funds and to protect anyone handling the money raised through School Council activities, all money needs to be counted and kept in the school for prompt deposit to the bank account.

### 9.4 Financial Reporting Requirements

To enable the School Council to manage and monitor School Council funds and fundraising activities, current financial information is required. To achieve this goal, monthly reports outlining the sources and uses of the funds and the current financial position of the School Council are required. The school is responsible for ensuring that this information is shared with the School Council on a regular basis.

School councils should continue to adhere to the required reporting and record retention guidelines as noted in Regulation R-D-102-08 – School Councils and Administrative Procedure A-AD-102-02 School Council – Meetings.

As a matter of consistency with other financial record retention requirements, all records are to be maintained at the school for seven (7) years.

**CAUTION:** School Councils are reminded that Regulation 612 of the Education Act governs their activities, responsibilities, and reporting requirements. It is the Principal's responsibility to advise School Councils when their activities fail to meet the requirements outlined in the Regulation and Board Policies, Regulations and Administrative procedures.

### **10.0 School Financial Review/Audit**

The Board's external auditors conduct yearly financial reviews of the school generated funds for a number of schools in the Board. Usually this occurs on a cyclical basis, so that each school is reviewed periodically. Similar financial and compliance reviews will also be conducted by the Finance Department on an annual basis to monitor compliance with the stated Administrative Procedures. Whether through an external auditor or by other means, all schools may be subject for a review of School Generated Funds at any time.

#### 10.1 Objective

To provide a description of a financial review of School Generated Funds

- **Description of a Financial Review**

A financial review is an independent assessment of specific activities, which is used to assist management in the assessment of whether the Board's plans are carried out; policies and procedures are observed; accounting is accurate for assets, liabilities, revenues, and expenses and reporting is done on a timely basis. The review/audit usually consists of analysis, recommendations, and comments regarding the activities reviewed.
- **Scope of the financial audit/review includes:**
  - Review and assessment of the adequacy and application of financial and other operating controls.
  - Review of compliance with Board policies, regulations and administrative procedures as they relate to School Generated Funds.
  - Evaluate the timeliness, accuracy, and usefulness of the school's records and reports.
  - Ensure that School Generated Funds are properly accounted for and safeguarded from loss.
  - Comment on the extent to which funds raised are used for the purpose stated prior to the funds being raised.
- **Involvement of Staff**

The Superintendent, Principal, Vice-Principal, School Secretary, other school staff and the School Council Chair can be called upon to provide information and records, and to clarify such information. It is expected that full cooperation will be given to the internal/external auditor to complete the review. The auditor will take into account the time pressures on these individuals when making requests for records and not unduly interfere with school operations.

- Review/audit elements:
  - A meeting with school principal and school secretary
  - Gathering of relevant records from the school, banking institutions, and School Council as necessary
  - Review of records and detailed testing of sample transactions and reports.
  - Preparation of draft report and meeting with the principal to discuss and review findings. This meeting will give the auditor the opportunity to informally discuss findings and to give the principal the opportunity to identify any errors or omissions in the draft report
  - Preparation of the final report incorporating any comments from the principal.
  
- Reporting

Following completion of the review/audit, the final report is submitted to the Superintendent of Business, Manager of Financial Services, Superintendent of Education and the Principal for action as required.

### **11.0 Changes in Principal and School Secretary**

Changes in Principals and School Secretaries at schools are frequent and should not impact on the day-to-day administration of School Generated Funds

#### 11.1 Objective

To ensure that when the Principal and/or School Secretary changes, basic financial information is transferred to the new Principal and/or Secretary.

- General

The accompanying forms are to be completed by the exiting Principal and/or School Secretary and a copy of the completed form is to be forwarded to the applicable Superintendent of Education and the Manager of Financial Services. Where possible, it should be reviewed with the new Principal and/or School Secretary in person.

The incoming Principal and/or School Secretary, upon receipt of the completed document will need to verify its accuracy. Any discrepancies should be clearly outlined and forwarded to the applicable Superintendent of Education and Manager of Financial Services.

The new Principal and/or School Secretary should arrange for the signing authorities to be updated with the financial institution.

Implementation Date: June 7, 2011

Reference: Board Policy, Regulations  
Ministry of Education School Board Expenditure Guidelines