

Fort McMurray Catholic Schools

Operating Policies and Procedures

OP 505 - School Generated Funds (SGF)

Background

School-generated funds (SGF), shall be maintained in accordance with generally accepted accounting practices as established by the Board and Alberta Education.

Definitions

School-generated funds (SGF) are money raised in the community that come under the control and responsibility of the School Principal and are for extracurricular student activities. Funds related to staff social activities are also considered as SGF.

School-generated funds are either externally or internally restricted.

Externally Restricted

Funds raised for specific activities where the school has an obligation to a third-party as how the funds will be expended are accounted as externally restricted. Excess revenues for externally restricted activities held at the end of a school year may be deferred to future years and not recognized as revenues in the current year. For example, if a school collected fees for a ski trip to occur in the following school year, it would be permitted to set up the deferred revenue liability since an agreement was made that funds paid would be used to fund the ski trip. A school might, similarly, have a fundraiser to raise funds for a band excursion to a national competition. Because the fundraiser is specific and third-parties were told how the funds would be spent, the school might also consider these funds externally restricted.

In the eFunds Chart of Accounts, the following Departments are considered to be externally restricted:

6300: Student Union, SADD, Social Justice, Graduations, Me to We, Year Book...

6400: Field Trips

6500: Santa Anonymous, Dev & Peace, Catholic Charities...

Internally Restricted

Other SGF are considered internally restricted and will be recognized in the year in which the funds were received. Excess funds held at the end of the school year will be transferred to the SGF School Reserves. In the eFunds

Chart of Accounts, the following Departments are considered to be internally restricted:

6100: Staff Social, School Beautification, etc

6200: Athletics extracurricular

6600: Other School extracurricular

6700: General Fundraising / Sales of school clothing/apparels

School Bank Account

Individual school bank accounts will be used to collect funds and to pay for SGF expenses. Funds collected at the school fall in two categories:

Remitted Funds - funds collected and remitted to central accounting services to cover operational, administrative or capital expenditures which are charged against the school budget and accounted in the main chart of accounts. If the expenditure is charged to a shared service decision unit, the remittances are allocated to general revenue. If the expenditure is charged to the school, the amount remitted is included in the school's local revenues and offset against expenditures in calculating the surplus or deficit carried forward.

Remitted Funds include:

- a. funds collected and remitted to central accounting for expenditures that will be charged to the school's regular budget such as supplies and material fees, damaged textbook recovery, fees for academies, book fairs or classroom fundraising; and
- b. funds collected and remitted to central accounting services and charged to a shared service decision unit such as student transportation fees, foreign tuition or facility rentals.

Retained Funds - funds collected for internally and externally restricted SGF activities as defined above.

Gift, Donations and Grants

All gifts, donations and grants are to be remitted to central accounting services for deposit for charitable receipt preparation and/or tracking purposes:

1. Funds will be credited to the school's revenue if the related expenditures will be charged against the school budget.
2. Funds will be transferred back to the school bank account if the related expenditure will be made out of school generated funds.

Other restrictions

1. School generated funds shall not be used for the benefit of the school staff.

2. Prior to the collection of funds by means of a voluntary per-student fee, principals shall ensure that students and/or their parents are informed of the optional nature of such fees.
3. All retained funds raised, held in trust for a school parent and community group, or donated for a specified purpose shall be used only for that purpose unless mutually agreed by the Principal and the fundraising group or donor,
4. Any surplus funds may be spent on other student related activities, provided this intent is communicated prior to the collection of money.
5. The soliciting of funds from individual students and staff on school premises is subject to Board Policy
6. While not prohibited, games of chance and door-to-door canvassing by children should only be undertaken with due consideration of community attitudes toward such activities.
7. All fund-raising activities or appeals shall comply with the Charitable Fundraising Act and its regulations.

Principal's Responsibilities

8. Approving any school, staff, and/or student involvement in fundraising activities conducted by the school.
9. Consulting with any individual(s) and group(s) raising funds for the school, regarding proposed use of the funds, publicity methods to be used, and the timeliness of the activity or appeal.
10. Approving the proposed use of all school generated funds, including funds donated by school parent and community groups, and communicating this to the community and/or donor group prior to the collection of any funds.
11. Approval of the proposed use of donations should be in writing.
12. Identifying the party(s) responsible for a fund-raising activity and communicating this to the community prior to the activity. It is important to distinguish between activities conducted by the school in which parents may participate or volunteer and, activities conducted by school parent or community groups in which the school participates or assists in promoting.

Funds Raised by School Parent and Community Groups

13. A school parent or community group raising funds to donate to the school shall retain all responsibility for financial accounting and reporting, and any attendant liability for its activities until the funds are accepted by the school.
 - a. Group Administration of Funds
 - i. Groups choosing to administer their funds independently are encouraged to register under the Societies Act of Alberta which has prescribed reporting requirements. If a school, parent or community group intends to raise funds for the school through games of chance regulated by Alberta Gaming (bingos, raffles, casinos...), the group, or a subcommittee thereof, is required to be incorporated under the Societies Act of Alberta for licensing purposes.
 - ii. The group name shall not have a direct reference to the school. For example, the Holy Trinity Band Parents' Association not Holy Trinity Catholic School Band Parents' Association.
 - iii. The school principal and staff shall not have signing authority or financial responsibility for the group's account(s).
 - b. School Administration of Funds Held in Trust
 - i. The Principal may authorize groups, so requesting, to have their funds administered by the school.
 - ii. The funds shall be entered into the school's records and be accounted for separately.
 - iii. The Principal shall provide the group with monthly financial reports of the funds and a

group representative may pre-authorize the disbursement of funds.

- c. School Administration of Donated Funds
 - i. When a group donates funds to the school, at that time the funds shall be entered into the school's records and be accounted for separately.
 - ii. If the funds are donated for a specified purpose, the Principal shall provide the group with regular financial reports of the funds.

March 2014