

SCHOOL-GENERATED FUNDS

Background

The Division believes that all Division accounts, including school-generated funds, shall be maintained in accordance with generally accepted accounting practices as established by the Division and Alberta Education.

Definitions

School-generated funds are funds raised in the community that come under the control and responsibility of the School Principal and are for student activities. Fees for instructional supplies or materials charged in accordance with Section 57 of the *Education Act* and the transportation fees charged in accordance with Section 59 are not "school-generated funds", but are recorded as "instruction fees" and "transportation fees" respectively. School-generated funds fall into two main categories:

1. Remitted Funds

Remitted funds are funds that are remitted to the Division office to cover expenditures which are charged against the school budget and accounted for centrally. If the expenditure is charged against a divisional account, the remittances are allocated to general revenue. If the expenditure is charged against a school account, the amount remitted is included in the school's local revenues and offset against expenditures in calculating the surplus or deficit carried forward.

- a. Funds collected and remitted to Division office and credited to a divisional account include school building rental fees and non-resident student tuition fees.
- b. Funds collected and remitted to Division office and credited to a school account include cafeteria sales and transportation fees for co-curricular and extra-curricular purposes.

2. Retained Funds

Retained funds are funds collected for specific purposes or activities. These funds are retained at the school, and expenditures for these activities are paid by the school and charged against the revenues in the school's accounts. These revenues or expenditures are not taken into account in calculating the school's surplus or deficit to be carried forward. These funds include:

- a. Funds collected as voluntary fees where the costs are paid out of funds collected and retained at the school such as student union and club activity fees, picture sales, yearbook sales, lock sales, graduation fees, and other similar items.
- b. Funds, including gifts and donations, which are raised by means of an activity or appeal to the public for a specified educational purpose.
- c. Funds held in trust and administered by the school for a school parent and community group.

- d. Funds that are raised from investments, commissions and vending machines at the school level.
- e. Funds that are raised in the school by the sale of goods and services when costs are paid by the school out of retained funds.

3. Procedures

- a. Individual schools are authorized to maintain bank accounts, where necessary, to control school-generated funds in accordance with Section 3.13 of the *Leadership Handbook*.
- b. School-generated funds shall not be used for the direct benefit of the school staff.
- c. Prior to the collection of funds by means of a voluntary per-student fee, the Principal shall ensure that students and/or their parents are informed of the optional nature of such fees.
- d. All retained funds raised, held in trust for a school parent and community group or donated for a specific purpose, shall be used only for that purpose unless mutually agreed by the Principal and the fund-raising group or donor.
- e. Any surplus funds may be spent on other student related activities, provided this intent is communicated prior to the collection of money.
- f. The sale of goods and merchandise to students and staff by groups must have the prior approval of the school administration.
- g. While not necessarily prohibited, games of chance and door-to-door canvassing by children should only be undertaken with due consideration of community attitudes toward such activities. Fundraising activities must comply with the provision of the *Charitable Fundraising Act*.
- h. All fund-raising activities or appeals shall comply with municipal bylaws established and shall be in accordance with Administrative Procedure 520.
- i. 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.

4. Group Administration of Funds

- a. Groups choosing to administer their funds independently are encouraged to register under the *Societies Act of Alberta*, which has prescribed reporting requirements.
- b. If a school, parent or community group intends to raise funds for the school through games of chance regulated by the AGLC (e.g., bingos, raffles, casinos), the group, or a subcommittee thereof, is required to be incorporated under the *Societies Act* for licensing purposes.
- c. Existing societies having a direct reference to existing schools are encouraged to review the group name of their society. As of January 1, 2000, new societies formed shall not have a direct reference to a school in their name.

- d. The Principal and staff shall not have signing authority or financial responsibility for the group's account (s).

5. Liability Insurance

- a. Independent fund raising groups or societies may request general liability insurance coverage, on an annual basis, through the Livingstone Range School Division insurance coverage. They would be classified as an “additional insured.”

6. School Administration of Funds Held in Trust

- a. The Principal may authorize groups, so requesting, to have their funds administered by the school.
- b. The funds shall be entered into the school's records and be accounted for separately.
- c. The Principal shall provide the group with regular financial reports of the funds until all monies are disbursed. A group representative may pre-authorize the disbursement of funds.

7. School Administration of Donated Funds

- a. 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.
- b. If the funds are donated for a specific purpose, the Principal shall provide the group with regular financial reports of the funds until all monies are disbursed.

December, 2003

Updates: July 2008, Jan. 2020

References

Section 33, 52, 53, 55, 68, 137, 138, 139, 140, 141, 143, 197, 222 Education Act
Administrative Procedure 520