



PROCEDURE

Title: **SCHOOL GENERATED FUNDS** Procedure No.: **1009a**
Effective Date: 2017 June 27

Department: Organizational Support Services - Finance

Reference(s):

- Policy: Fundraising Projects for Schools
- Policy: Acceptance of Donations, Gifts and Equipment
- Policy: Fundraising Activities and Donations for School Projects, Enhancements, Equipment, and Programs
- Student Activity Fees and Fees for Learning Materials and Activities
- Purchasing Policy and Procedure
- *Education Act, Section 217*
- *Ontario Regulation 298, Operation of Schools, Section 11*
- *Ontario Regulation 612, School Councils and Parent Involvement Committees, Sections 22 & 24*

PREFACE

Co-curricular and extra-curricular programming is essential to creating an inclusive and positive experience at each school. The Board supports the provision of an activities program that is accessible and equitable.

The raising and expending of activity funds by student bodies, School Councils and outside organizations shall have two purposes: to promote the general welfare, education and morale of all students and to enhance student opportunities and activities.

1.0 SOURCES AND USES OF SCHOOL GENERATED FUNDS

1.1. DEFINITION OF SCHOOL GENERATED FUNDS

School Generated Funds are funds collected and/or generated at the school level, by either the school or School Council. Funds are administered through a single school bank account. These funds are used to enhance the development of educational programs and to support school initiatives and activities.

Exceptions to the single bank account principle will only be granted where legislative requirements or special circumstances exist (e.g. lottery license, bingo license). The Principal must contact the appropriate support person in Financial Services for assistance before establishing a second account.

1.2. SCHOOL GENERATED FUNDS UMBRELLAS AND TRACKING REQUIREMENTS

Each separate event or activity administered through School Generated Funds must have its own individual category in the school's software program, where revenues and expenses associated with the event or activity are tracked.

All categories created will fall under one of the following Ministry classifications:

- Field Trips and Excursions – This line item captures all amounts raised/received and the costs to support in-country or out-of-country excursions or any field trips.
- External Charities – This line item captures all amounts raised/received in support of and the costs in support of an external charity where the school provides the administrative process for collecting the funds. The charity must be registered with the Canada Revenue Agency.
- Student Activities & Resources – This line captures all amounts raised/received and costs related to student activities and resources such as yearbooks or student activity fees. Athletic activities are recorded under this category.
- Other – Examples include Principal's Discretionary and Breakfast Programs.
- Capital Assets – Please contact Financial Services before creating a category under the Capital Assets category.

Funds collected through School Generated Funds are collected in "trust" for a specific purpose and must be used for that intended purpose. Category balances carried forward year to year should be kept to a minimum. At the conclusion of a specific event or activity, if the category has a large remaining surplus balance, refunds should be issued.

For instructions on handling residual balances remaining in a category, refer to the School Generated Funds – Residual Balances memo.

1.3. SOURCES AND USES OF SCHOOL GENERATED FUNDS

	Funds Collected From Students	Funds Collected From Other Sources
Source of Funds	<ul style="list-style-type: none"> • fees: e.g. student activity fee, Student Council, yearbook, uniform, tournament, athletics (see the Student Activity Fees Policy and Procedure for more information on the appropriateness of fees) • sales: e.g. beverages, milk funds, food items, pizza and hot dog days, school clothing, memorabilia • co-curricular: e.g. field trips, guest appearances, buses 	<ul style="list-style-type: none"> • interest on School Generated Funds • commissions and rebates: HST rebates, vending machine rebates, rebate on cafeteria sales, photo rebates • School Council fundraising

	<ul style="list-style-type: none"> • special events: e.g. walk-a-, swim-a-, read-a-thons, dances, band concerts, dramatic performances 	
Use of Funds	<ul style="list-style-type: none"> • directly for students (e.g. student activities and leadership, dances) • when funds have been collected in “trust” for a specific purpose the school shall ensure the proceeds are directed toward that specific purpose 	<ul style="list-style-type: none"> • funds directed toward a specific purpose • school-related activities for students • student benevolent fund use (non–School Council funds only) • proceeds directed toward student activities • School Council spending as directed by School Council
Requirements	<ul style="list-style-type: none"> • all purchases made using School Generated Funds must comply with Board policies and procedures • 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 • categories with negative balances at August 31 of each year must be brought to zero using the Principal’s Discretionary balance or the appropriate residual balance category, unless there is a justifiable reason for a category to have that negative balance • payments made 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) 	

1.4. UNACCEPTABLE USES OF SCHOOL GENERATED FUNDS

Examples of unacceptable uses of School Generated Funds would include but are not limited to:

- items that are to be purchased from the Board’s budget such as classroom learning materials, textbooks, etc.
- goods from employees, where such purchase would contravene Section 217 of the Education Act – “Promotion or sale of books, etc., by employees of Board, or Ministry to Board, pupil, etc., prohibited”
- monetary payments to employees for services
- staffing
- gifts to employees
- staff professional development/travel, meals and hospitality
- investments other than those permitted by the Board and Regulation 471/97 of the Education Act (Eligible investments)
- support to political activities, groups or candidates
- Use of School Council funds without prior authorization from School Council

2.0 SCHOOL COUNCILS

Education Act Regulation 612 – School Councils and Parent Involvement Committees, requires School Boards within Ontario to have a School Council for each of their schools. School Councils are often actively involved in fundraising; however, this fundraising must be done in accordance with applicable Board policies.

School Council funds are tracked within a school's School Generated Funds software and are easily identifiable. School Council funds follow established School Generated Funds policy and procedures with regards to deposits, payments and reviewing processes.

Any deviations from the established School Generated Funds policy and procedure will be clearly identified in the sections below.

All fundraising School Councils must have a designated Treasurer and Chair who provide authorization for School Council deposits and disbursements as well as notifying School Administration of any individuals that have authorization to act as additional School Council designates for deposits and disbursements. School Council Treasurers must provide financial updates to the School Council at their monthly meetings; these updates should be recorded in the minutes of the School Council meeting.

Regulation 612 requires all School Councils to submit an annual written report on their activities to the school Principal and the Board. A year-end financial report summarizing a Council's annual financial activity (i.e. revenues, expenses, assets and liabilities) will be prepared by Financial Services and sent to each respective School Council for review and approval.

3.0 ROLES AND RESPONSIBILITIES

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

3.1. TVDSB STAFF MEMBER OR SCHOOL COUNCIL DESIGNATES (for School Council Funds)

- The TVDSB Staff Member or School Council designate will act as a coordinator for the event
- the event coordinator(s) must have permission from the Principal prior to collecting any monies and starting the event
- ensure funds collected and invoices for payment are brought to the Fund administrator on a daily basis

Procedure – School Generated Funds con't

- School Council funds must be brought to the School Office, in a completed and sealed Deposit Envelope, as soon as it is reasonable to do so, ideally on the day of collection
- ensure details of financial activity relating to their category are recorded accurately
- ensure that funds received are disbursed according to the intent of the source of income
- the event coordinator cannot be the Fund Administrator (see below)
- ensure that any individual associated with the School or School Council does not enter into contracts in the name of the school or the Board
- must follow all applicable Board policies and procedures

Receipts

- collect money from students, providing all students with a receipt where appropriate as deemed by the Principal or School Council for School Council events
 - situations where a receipt is not necessary include but are not limited to:
 - opt-out days
 - bake sale
 - Toonie Tuesday
- where possible funds collected should be counted by two individuals
 - School Council funds must be counted by a minimum of two volunteers on school premises. Funds should not be taken home
- complete, sign and seal the Deposit Envelope
 - School Council Deposit Envelopes require signatures from both volunteers who counted funds
- all Deposit Envelopes, if not detailed on the envelope, must contain a list of all student payments and the method by which they were paid
- take money to the office daily
- record deposit on the Receipt Log in office

Disbursements

- complete the Voucher Slip for payment
- Voucher Slips completed by School Council require signatures from two authorized School Council designates
- ensure that the receipt or invoice is attached to form
- deliver the Voucher Slip to the Fund Administrator
- sign or initial all transactions brought forward by the students they are assisting
- students must be supervised by a Staff Member when collecting funds

Review

- receive, review and sign off on monthly report(s) to ensure transactions are properly recorded

- School Councils must document in the minutes of their meetings that the transactions in their category or categories are properly recorded. A copy of the minutes must be provided to the school office for retention purposes.
- ensure that payments do not exceed the amount collected by category

3.2. SCHOOL COUNCIL CHAIR

- ensure fundraising activities involving the students and/or school are in compliance with Board policies and procedures and no direct or indirect financial 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
- distribute and/or make available the annual School Council financial reports as indicated in the Section 3.0 – School Councils
- ensure the Treasurer understands their responsibility for receipts, disbursements, banking and record keeping including regular financial reporting at School Council meetings
- authorize the collection and disbursement of School Council funds in conjunction with the Council Treasurer and notify School Administration of any individuals who are authorized to act as School Council designates for deposits and/or disbursements

3.3. FUND ADMINISTRATOR (School Administrative Staff)

- record transactions on behalf of a Staff Member or School Council
- administer funds on a daily basis
- provide School Council Treasurer with a copy of any submitted and verified Deposit Envelope as confirmation of receipt
- act as one of the signing officers for the school's bank account
- maintain appropriate supporting and financial documentation
- count funds received in the Deposit Envelopes and verify amounts
- complete prescribed year end procedures
- assist during School Audits

Banking

- prepare the bank deposit
- note date deposited in the Receipt Log
- deposit funds in the bank on regular basis (minimum weekly)

Disbursements

- receive the Voucher Slip requests for payment and ensure each is supported by a receipt or invoice, as well as being initiated by the appropriate authorized individual(s)
- have the Voucher Slips approved by Principal prior to issuing cheques

- give a copy of the Voucher Slip to Staff Member or School Council Treasurer as acknowledgment of payment
- ensure that all the Voucher Slips initiated by students are initialed or signed by the staff member
- make sure that cheques to be signed are accompanied by all appropriate Voucher Slips
- disbursements should be made on a weekly basis as required

Record Keeping

- ensure details of all transactions are properly recorded
- complete the bank reconciliation monthly
- print monthly transaction reports and distribute to staff members and identified School Council designate
- prepare financial statements and perform year end procedures
- liaise with staff members and School Council
- report issues or concerns to the Principal
- calculate and prepare the monthly HST rebate claim

3.4. PRINCIPAL

- ensure that the processes for School Generated Funds are implemented in compliance with the Board policies/procedures and the School Generated Funds Accounting Process Manual, and ensure compliance by all participants
- communicate responsibilities to all school staff (semi-annually)
- liaise with School Council on proper procedures for School Generated Funds management
- notify the following individuals immediately if funds are lost or stolen:
 - Superintendent of Student Achievement
 - Associate Director & Treasurer, Organizational Support Services or designate
 - School Council Chair and Treasurer, if School Council funds are lost or stolen
- act as signing officer on the bank account
- manage School Generated Funds
- appoint the Fund Administrator
- ensure processes are in place to adequately control School Generated Funds within the school
- ensure that no staff member 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
- ensure access to suitable technology to support School Generated Funds
- maintain a list of categories noting responsible staff member(s) and identified School Council designates

- open, review, initial and date bank statements before giving them to the Fund Administrator
- review, initial and date bank reconciliations (monthly)
- review financial records and reports on an ongoing basis (initial and date to indicate review)
- review category balances and income and expenditure activity (periodically)
- review and sign annual financial statements and reports
- determine when a second bank account is required either by legislation or other circumstance and contact Financial Services for assistance
- ensure security over cash and records
- change combinations, keys and passwords (if applicable) when staff involved in the administration of School Generated Funds change
- ensure that any individual associated with the school or School Council 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
- notify Superintendent of Student Achievement immediately if problems arise
- distribute annual financial statements according to policy
- participate during a School Audit and ensure the implementation of recommendations

3.5. SUPERINTENDENT OF STUDENT ACHIEVEMENT

- reinforce with Principals the need to comply with policies and procedures
- follow up on School Audit reports indicating problems with School Generated Funds
- report any of the following to the Associate Director & Treasurer, Organizational Support Services, or designate
 - if funds are lost or stolen
 - any misuse of funds
 - failure to follow any policy, procedures, processes or guidelines

3.6. FINANCIAL SERVICES

- provide support to the schools
- produce annual financial reports for schools and School Councils
- receive approval on annual financial reports from the Principal and School Councils
- produce, review and analyze financial statements and follow up with schools and copy the Superintendent of Student Achievement with any concerns
- administer the School Generated Funds policy and procedure
- keep schools informed concerning changes in applicable legislation
- maintain all School Generated Fund annual statements

3.7. SCHOOL AUDIT DEPARTMENT

- audit or review the transactions processed through School Generated Funds in accordance with established Board auditing practices
- ensure that policies and procedures are followed
- report findings to schools and Board Administration
- follow up on unsatisfactory responses to findings
- follow up on unsatisfactory findings as determined by Board Administration

4.0 OTHER

4.1. CHARITABLE DONATIONS

A charitable donation, for which a charitable donation receipt can be issued, is made when all three of the following conditions are met:

- a) Property or cash is transferred by a donor to the Board
 - Cheques should be made payable to the Board or the school.
 - Note: Contribution of services (e.g. time, skills, and effort) does not qualify. However, there is nothing to prohibit the Board from paying for services and later accepting all or a portion of the payment back as a donation, provided that it is returned voluntarily
- b) The donation is voluntary
- c) The donation is made without expectation of an advantage
 - When a donor receives an advantage in return for a donation, all or part of the donation may no longer qualify as a gift
Examples of advantages include:
 - A ticket to an event
 - The use of property
 - A dinner or performance at a fundraising event
 - Donations made to the Board can be subject to general direction (e.g. to the benefit of a specific school) but cannot be directed to the benefit of a specific individual

Gifts in Kind - A gift in kind is a donation other than cash. It does not include a gift of services. Examples which would qualify include computer equipment, books, furniture, etc. Refer to the Acceptance of Donations, Gifts and Equipment Policy and Procedure for information on appraisals of gifts in kind for donation receipts.

In addition, schools must be aware that depending on the nature of the gift in kind, Board departments may need to be consulted to ensure that it is appropriate to move forward and accept the gift (e.g., consulting Information and Technology Services for gifts of computer equipment, or Facility Services for gifts of machinery).

Only TVDSB can issue a charitable tax receipt, schools cannot. Schools cannot guarantee a donation receipt will be issued by TVDSB. This decision is made by Learning Support Services and Financial Services.

All donations shall follow the Board policy on Acceptance of Donations, Gifts and Equipment.

4.2. EXTERNAL CHARITIES

Schools and School Councils often collect money for external charities such as Terry Fox, United Way, etc.

Funds should only be collected for charities that are registered with the Canada Revenue Agency.

Once the funds have been collected, the charity may arrange to pick up the funds directly. Otherwise the school may deposit the funds and issue a cheque for the full amount to the charity. Cheques must not be issued to an individual. Funds must be paid in a reasonable time period, but prior to the end of the school year.

4.3. LOTTERIES

Schools and School Councils may participate in lotteries (including bingo, Nevada, raffles etc.) providing they comply with the rules and regulation of the Alcohol and Gaming Commission of Ontario http://www.agco.on.ca/en/whatwedo/licensing_charitable.aspx. There must be a specific purpose that is communicated to the general public.

Separate bank accounts may be required as well as special licenses, permits and reporting.

Caution

The person who runs a lottery or game of chance without a license is subject to penalties under the Criminal Code of Canada.

Always check with the local municipality before commencing one of these activities. If the municipal representative states that 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.

4.4. FUNDRAISER

- must have a specific purpose that is communicated to the general public
- must be approved by the Principal

- funds should be used within that school year unless embarking on a large scale fundraiser
- fundraisers must follow the Fundraising Activities and Donation for School Projects, Enhancements, Equipment and Programs Policy and Procedure
- crowdfunding (e.g. GoFundMe, Kickstarter, Indiegogo, RocketHub, etc.) is not an acceptable method of fundraising

4.5. COLLECTION OF FUNDS FOR INDIVIDUALS

The Board's registered charity number does not allow for the collection of funds for specific individuals (e.g. a family in need).

4.6. FORMS

Any forms created by Financial Services or the Board for the purposes of School Generated Funds are not to be modified.

4.7. HOME AND SCHOOL ASSOCIATIONS

School based Home and School Associations operate as local units of the Ontario Federation of Home and School Associations (OFHSA) and exist as separate entities from the Board. The local units must be a member in good standing with the OFHSA. They may engage in fundraising activities to support the goals and objectives of their organization. The proceeds from these activities are not a part of School Generated Funds.

- The Home and School Association holds its own bank account separate from the School Generated Funds account
- Although the Home and School Association may engage in fundraising activities that support the school community, all decision making and responsibility for management of funds remains with the Home and School entity
- A school may have both a School Council and a Home and School Association. The School Principal may act as a liaison between both groups to ensure there is no duplication of effort
- The Principal should be aware of the fundraising activities of the Home and School Association and ensure they are being done in the name of the Home and School Association and not in the school's name
- Where fundraising by the Home and School Association is being done in the name of the school, these fundraising initiatives are governed by the following Board Policy and Procedures, which should be reviewed before any fundraising initiative is started to ensure compliance:
 - Fundraising Projects for Schools Policy and Procedure
 - Fundraising Activities and Donations for School Projects, Enhancements, Equipment and Programs Policy and Procedure
 - Acceptance of Donations, Gifts and Equipment Policy and Procedure

4.8. THIRD-PARTY FUNDRAISING

It is recognized that a number of third-party groups, such as community organizations contribute to our schools. However, all school based fundraising requires the approval of the Principal and any other approvals required under the Board's applicable fundraising policy and procedures. No academic areas or departments within a school, or school based parent groups (with the exception of Home and Schools Associations) may operate as third-party groups.

Fundraising initiatives are governed by the following Board policy and procedures, which should be reviewed before any fundraising initiative is started to ensure compliance with the applicable policies and procedures:

- Fundraising Projects for Schools Policy and Procedure
- Fundraising Activities and Donations for School Projects, Enhancements, Equipment and Programs Policy and Procedure
- Acceptance of Donations, Gifts and Equipment Policy and Procedure

4.9. PROCESSES

For detailed School Generated Funds accounting processes, see the Financial Services **School Generated Funds Process Manual For Schools And School Councils**.