

**MOOSE FACTORY ISLAND  
DISTRICT SCHOOL AREA BOARD**

<b>ADMINISTRATIVE PROCEDURE NO. 516</b>	
Effective	
Revision Date	

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**NON-BOARD FUNDS: ACCOUNTING PROCEDURES**

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**PURPOSE**

It is important to create an environment which promotes careful handling of funds and discourages theft or fraud. A critical element in a comprehensive prevention strategy must be adequate internal controls on the establishment and maintenance of non-board funds. When students, staff members, volunteers, and community members are involved with the handling of funds, proper control practices must be in place.

**PROCEDURES**

**1. Internal Controls**

- 1.1 The following internal control practices shall be implemented and enforced by the principal of the school:
- a) separation of duties for collection, recording, disbursing, and reconciling funds;
  - b) proper documentation of all transactions;
  - c) physical safeguarding of assets;
  - d) proper approvals for the distribution of funds;
  - e) two signing authorities on all transactions; and
  - f) independent checks and periodic reports on the operations of the various funds.
- 1.2 Authority for the establishment of all school and student related accounts rests with the principal.
- 1.3 All funds collected from or for students or staff members will be deposited intact into an account established by the principal. The principal will determine the account that provides the greatest financial advantage to the school.
- 1.4 The signing authorities for schools will be two of the principal, the vice- principal, a teacher designated by the principal, or a school secretary.
- 1.5 A ledger (computerized and coded, if possible) will be kept for audit purposes of all transactions in each account. Each organization will keep its own set of books, stating the source of all revenue and the reasons for all expenditures.

- 1.6 All funds collected by organizations will be submitted for deposit to one of the signing authorities or another staff member designated by the principal. The organization will prepare deposit slips and record, in its books, the sum to be deposited. The depositors will enter the amounts on the computer or ledger and credit the appropriate accounts with the cash deposited.
- 1.7 Withdrawals will be made by cheque only. Organizations will submit properly approved vouchers to the signing authorities when funds are required. A cheque will then be issued for payment, and appropriate entries will be made in the school ledger.
- 1.8 Interest on the account will be distributed to each organization as the principal determines. The usual practice is to consider the sum on deposit and the length of time it has been on deposit. Administration costs, as applicable, may be deducted in a similar fashion.
- 1.9 The fiscal year will run from September 1st to June 30th. The closing of books and preparation of year end reports will be completed by the following September 30th.

## **2. Minimum Expectations**

- 2.1 The following minimum expectations are provided for the guidance of principals. Reference should be made to the Business Administrator for assistance as required.
- 2.2 All monies received are to be deposited intact to accounts in the name of the school/organization and not in the name of an individual(s).
- 2.3 Each disbursement is to be paid by cheque or from a properly established petty cash fund.
- 2.4 The petty cash fund should be replenished by issuing a cheque, and not through the withdrawal of funds from a future deposit.
- 2.5 All cheques are required to have two signatures as defined above.
- 2.6 A bank reconciliation will be prepared and reviewed monthly by the principal or a person designated as treasurer.
- 2.7 Minimum audit expectations include a signed and documented review of transactions and vouchers by two staff members.
- 2.8 Copies of financial reports are to be submitted annually for each student and school account to the business department by the following September 30th.

***Legal References:***

*Education Act, section 286 Duties of Supervisory Officers: Supervise Business*  
Ontario Regulation 298 Operation of Schools, s. 11 Duties of Principal: Transmit Reports  
Ontario Regulation 298 Operation of Schools, s. 25 Canvassing and Fundraising

***Board References:***

Administrative Procedure 175 School Council  
Administrative Procedure 330 School Fundraising Activities  
Administrative Procedure 500 Financial Integrity