

SCHOOL TRUST FUNDS

Background

The District recognizes the need for funds to be raised, kept and expended by a school and that consideration must be given to utilizing banking services in a financially responsible and administratively efficient manner to safeguard District monetary assets.

Procedures

1. Accounting for School Trust Funds

- 1.1. One bank account is to be established in each school for receipt and disbursement of all funds held in trust by the school. Schools having a fairly large balance may wish to transfer some funds to an interest-bearing account or term deposit. Schools dealing with credit unions will be required to set up a "Share" account. Under no circumstances shall a school have more than these three (3) accounts.
- 1.2. All funds raised solely by staff or as the school's portion of a joint fund-raising must be deposited in this bank account and disbursed from the same account. Funds received must not be disbursed in the form of cash.
- 1.3. These school trust funds are to be under the overall supervision of the Principal of the school.
- 1.4. It is not permissible to collect funds within the school and not account for them through the School Trust Fund account system.
- 1.5. Requests to establish new school trust accounts must be requested in writing utilizing Form 511-2 Request to Establish a School Trust Account and signed by the Principal and retained in accordance with the District AP 185 (Retention and Disposal of Records).
- 1.6. All receipts and disbursements are to be recorded in the appropriate accounting system approved and provided by the District.
- 1.7. Pre-numbered receipts are to be issued for all cash received, and pre-numbered cheques are to be issued for all disbursements.
- 1.8. Vouchers and receipts are to be retained in support of every expenditure.
- 1.9. Cash received is to be deposited as soon as possible. Deposits must be made not less frequently than each Friday. Funds other than petty cash shall not be kept in the school over the weekend. Refer to Administrative Procedure 512, Cash Procedures for School Generated Funds.
- 1.10. School trust funds are not to be used as a banking service for cashing employees' and students' individual cheques. Under no circumstances will individuals who have direct access to the funds take cash and replace it with cheques or IOU's of any kind.

- 1.11. All school trust fund cheques must have two (2) signatures, with three (3) individuals having signing authority where possible: the Principal, the Vice-Principal and the school Administrative Assistant.
- 1.12. Signing authority changes will be facilitated by the School Board Office; provided that the school is banking with the same financial institution as the School Board Office.
- 1.13. All records maintained by the school shall be open at all times for inspection by the Secretary-Treasurer and the Board's auditors. The statements prepared for reporting purposes are subject to audit by the duly appointed auditors of the Board.
- 1.14. Trust fund purchases of equipment valued at \$500.00 or more per item for the school or improvements to buildings or grounds shall not be carried out until permission to do so is received from the Director of Operations. A request from a Principal to expend any of the funds shall be accompanied by an approval from the account's supervisor stating that these funds are being expended for the purpose for which they were raised, and the rationale for the expenditure if it does not meet this criterion.

2. Reporting on School Trust Funds

2.1. To Principal

- 2.1.1. The Principal shall receive monthly a trial balance of all accounts, together with a bank reconciliation. The Principal shall sign these reports to indicate that they have been received and noted. A copy should be forwarded to the School District office.

2.2. To School Staff

- 2.2.1. After it has been received and signed by the Principal, a copy of the monthly trial balance shall be made available to staff members on request.

2.3. To Parents' Advisory Council

2.3.1. School Trust Funds

- 2.3.1.1. The Parents' Advisory Council (PAC) can request periodic financial reports on the status of the school trust fund.

2.4. To Finance Department

- 2.4.1. A certified annual report on the status of the school trust fund is to be submitted to the Finance Department within ten (10) days following June 30 of each year. This report shall be a combined statement of receipts and disbursements prepared in an approved manner, and shall include:
 - 2.4.1.1. The names of the signing authorities;
 - 2.4.1.2. The name of the bank or credit union where the account is maintained, and the name and number of the account(s);
 - 2.4.1.3. A copy of the bank reconciliation;
 - 2.4.1.4. A photocopy of the bank statement or passbook.

Reference: Sections 22, 23, 65, 81, 85, 106.3, 106.4, 110, 111, 112, 112.1, 113, 114, 115, 117, 118, 156, 157,
157.1 School Act
Financial Information Act

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