



Administrative Procedure 538

School Generated Funds (SGF)

Background

The Division recognizes that schools may deal with substantial sums of money gained through fund raising. Alberta Education has declared that it is the Board's responsibility to develop and maintain appropriate procedures to provide assurance that monies related to School Generated Funds (SGF) are safeguarded and proper records are maintained. Alberta Education requires information pertaining to SGF in the Budget Report Form and the Audited Financial Statements.

Definition

SGF are funds raised in the school and community that come under the control and responsibility of the school principal and are for student activities. These funds are collected and retained at the school for expenditures paid at the school level (e.g. sports/athletics, yearbook sales, graduation fees, field trip fees, etc.).

Procedures

1. The School Administrator(s) is accountable for all SGF collected at the school. Funds shall be adequately safeguarded through standardized accounting procedures and controls. SGF shall be accounted for in a manner consistent with the Division's accounting procedures (*SGF Accounting Manual*). These procedures have been put in place to direct and protect fundraisers, parents, school staff and school administrators in carrying out their responsibilities.
 2. SGF must be utilized strictly for the purpose they were collected unless alternative uses have been communicated to, and approved by, the persons from whom the funds were collected.
 3. SGF shall normally be used within a two-year period unless designated for a specific longer-term use, with input from School Council (or Advisory Committee, as described in the School Councils Regulation).
 4. SGF shall not be used for the direct benefit of school staff.
 5. Money received for scholarships or similar purposes shall be segregated from SGF and administered centrally by the Division.
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6. School Administrator(s) will update the *School Fee and Fund* report each spring, in consultation with their school council, and submit it to the Secretary Treasurer for review and approval. Once approved, the School Administrator(s) shall post this report on their school website.
7. All transactions shall be controlled and recorded in the school's accounting system and bank account and be subject to audit by the Division's auditors annually. A school should only maintain one bank account, additional accounts to be approved by the Secretary Treasurer.
8. School financial records should be audited in the event of a change of school administration or the school administrative assistant.
9. School Administrator(s) and staff shall not have signing authority or financial responsibility for groups choosing to form a Society to administer their funds independently.
10. The school account activities & balances will be reported three times during the year to School Council/Advisory Committee and the staff, or upon request at any time during the year. These reports will be dated August 31st, December 31st, and April 30th. The reporting will be consistent with the *SGF Accounting Instructions*.

11. Supplemental Guide

To facilitate school based bookkeeping of SGF and to ensure compliance with audit requirements, each school in the Division shall implement internal controls over the administration of its SGF.

- 11.1 The school office shall issue receipts for all monies received.
- 11.2 When funds (other than donations) are collected in classrooms, a summary list shall be remitted with the funds to the school office.
- 11.3 All cash received shall be reconciled to the receipts and deposited in the school bank account on a regular basis. All cash or cheques are to remain in the school and shall be kept in a safe or locked cabinet, until they are taken to the bank for deposit. Schools should make arrangements to utilize night deposit services when necessary. A deposit shall be made as frequently as necessary, but not less than monthly.
- 11.4 All expenditures shall be referenced to invoices or some form of request for payment. Authorization for payment shall ultimately rest with the Principal. The Principal may, however, delegate this responsibility if he /she so wishes to someone other than the School Administrative Assistant. Records of expenditures shall be kept on file at the school for audit purposes.
- 11.5 No payments are to be made to individuals for honorariums, salaries, wages, etc. from SGF. Such payments are to be made using school budget funds processed through the Payroll Department, with subsequent reimbursement to the school budget from SGF.

- 11.6 All payments shall be made by cheque. Under no circumstances are blank cheques to be pre-signed.
- 11.7 The Principal shall authorize all transfer of funds between SGF categories. This authorization is to come to the Finance department in Division Office with the rationale and Finance will process the transfer.
- 11.8 Any corrections or errors need to be communicated to the Finance department in Division Office to be processed, this includes transfers, bank adjustments and deposit corrections.
- 11.9 All Board instructed fees such as Technology, Pre-school and Kindergarten fees should be remitted to Division Office throughout the year with any final amounts in the accounts remitted in June to bring the accounts to a zero balance.
- 11.10 All SGF must be recorded using standardized accounting software as identified by the Secretary Treasurer.
- 11.11 Schools must maintain full SGF accounting records for seven years.
- 11.12 Liquidity: Because school generated funds are used only for their intended purpose, at times the funds held may reach a level where additional funds are temporarily needed. In this case, the school will advise the Secretary-Treasurer of the condition who in turn will determine the best course of action to ensure the liquidity of the school's SGF.
- 11.13 All losses of SGF shall be reported immediately to the Secretary-Treasurer.

Reference: Education Act 195	Date Approved: December 12, 2024