

PARENT COMMITTEES FISCAL ACCOUNTING AND REPORTING

PREFACE

In keeping with the board's support for active involvement of parents in schools, this policy is provided to parent committees to direct accounting and reporting processes. Parent committees refers to parent councils, parent advisory committees, lunch supervision programs and other parent committees.

Parent committees, other than lunch supervision programs can raise funds or obtain grants only after a specific purpose has been identified and approved by the school principal. Lunch supervision programs are prohibited from conducting any type of fundraiser. Lunch supervision programs' sole mandate is to raise funds, through user paid fees, to provide care and supervision for children during the midday break.

Parent committees other than lunch supervision programs are encouraged to account for all funds using the schools accounting system and bank account.

For parent committees and lunch supervision programs, who choose to maintain separate accounting systems and bank accounts, it is expected that the committee shall keep a current and accurate record of all moneys. This process will not only serve to provide information on the amount of moneys available in the bank account and the various fund accounts, but also to safeguard the parent committees by providing a record of the sources and uses of these public funds.

(1) **Auditing**

Auditing is defined as "the process of examining documents, records, reports, systems of internal controls, accounting and financial procedures, and other evidence for the purpose of testing their accuracy, truth, and authenticity". Auditing must be external, and performed by an accredited practitioner from outside the organization.

An external auditor is engaged primarily to examine the financial statements of an organization and to make a judgement as to whether the statements present fairly the financial position of the organization.

Parent committees will provide external auditors a copy of this policy so the auditor is aware of the policy parent committees must abide by.

(2) **Procedures**

- (a) Each parent committee will only have one bank account to handle all funds. The bank account shall be opened in the name of the parent committee which

PARENT COMMITTEES FISCAL ACCOUNTING AND REPORTING

must include the school's name and must have three signing officers. Credit/Debit cards of any type are not allowed.

- (b) Cheques must be preprinted and prenumbered and require signatures by two signing officers and include date, whom the cheque is for and the amount. A signing officer may not sign a cheque of which he/she is the recipient.
- (c) Cheques must not be issued without proper documentation. All disbursements must be supported by proper receipts or invoices.
- (d) Prenumbered cash receipts must be issued to the person who submits moneys. Collection of moneys by teachers will be substantiated by a detailed listing of contributors (students).
- (e) Wherever possible, related duties attached to receipts and disbursements should be segregated. For example, the individual responsible for the receipt and recording of cash should not be making bank deposits.
- (f) Before making any major purchases or entering into a contract with a supplier or outside organization, the parent committee must consult with the secretary-treasurer of the school division so that such a purchase or contract can be reviewed with respect to the legal requirements, tax rebates, purchasing or tendering requirements of the Public Schools Act. A major purchase would include purchases such as playground equipment.
- (g) To enhance the effectiveness of the controls established, fundamental accounting procedures must also exist. Minimum requirements will include the following:

- (i) Bank Reconciliation and Statements

Bank facilities are required to provide monthly bank statements and the return of all cancelled cheques. A bank reconciliation will be performed immediately upon receipt of the bank statement. A summary of account balances must be attached to the bank reconciliation and the bank reconciliation must be signed and dated by two signing officers. A copy of account balance summaries, bank statements and signed bank reconciliations must be provided to the school principal monthly. The bank reconciliation is an extremely important control feature and must not be delayed.

**PARENT COMMITTEES
FISCAL ACCOUNTING AND REPORTING**

(ii) Cash Receipts

Documentation will be maintained detailing the source of moneys and will provide supporting information for bank deposits. Documentation should be kept in receipt number order for ease of referral.

Moneys collected must be deposited in the bank account; purchases cannot be made with the cash collected. Purchases must be made by cheques. Moneys should be deposited into the bank as soon as is practical after receipt, and at a minimum of once a week.

(iii) Reports

A year-to-date summary report of account balances must be provided at each committee meeting

(3) Year End Reports

A copy of an audited financial statement will be provided to the school principal and the school division's secretary-treasurer's by September 30th. The fiscal period will coincide with the school year (July 1st to June 30th).

Effective Date:	May 20, 2008	Review Date:
Amended Date:	March 18, 2014; June 20, 2017	
Board Motion(s):	173/08; 84/14; 181/17	
Legal/Cross Reference:	Policy JLIA – Parent-Run User-Pay Lunch Supervision Programs	