

HALIFAX REGIONAL SCHOOL BOARD SCHOOL BASED FUNDS POLICY

- PURPOSE:** To seek approval from the Governing Board for revisions to the School Based Funds Policy.
- BACKGROUND:** The School Based Funds Policy was originally approved on May 31, 2006. The policy has been changed in order to comply with the format of other policies of the Halifax Regional School Board. The policy has accompanying procedures and a Handbook. These have been updated in order to make reference to the school accounting software which was changed in 2008. There have also been changes made to the Handbook to expand on best accounting practices at the school level.
- The updated documents have been reviewed with School Administration staff, and School Principals, as well as Senior Staff. Consultation was also sought from SACs and PTA/Home and School organizations.
- CONTENT:** The proposed policy incorporates the policy template approved by the Governing Board for policy documents. The procedures and accompanying handbook are separate documents. The procedures outline the roles and responsibilities of HRSB staff, school based staff and external groups such as staff-parent groups. The changes made to the handbook include all reference to Quicken (previous accounting software) updated to SchoolCash (current accounting software). The handbook also now includes a section on the use of gift cards, compliant with the rules of Canada Revenue Agency. Other changes include the clarification of best accounting practices at the school level.
- COST:** n/a
- FUNDING:** n/a
- TIMELINE:** Upon Governing Board approval.
- APPENDICES:** School Based Funds Policy
School Based Funds Procedures and Handbook
- RECOMMENDATIONS:** The Governing Board approve the revisions to the School Based Funds Policy.

COMMUNICATIONS:

AUDIENCE	RESPONSIBLE	TIMELINE
HRSB Community	Doug Hadley via website	Upon Governing Board approval
School Principals	Danielle McNeil-Hessian	Upon Governing Board approval

From: For further information please contact Selena Henderson, Corporate Secretary at shenderson@hrsbc.ca or Terri Thompson at tthompson@hrsbc.ca.

To: Policy Development and Review Committee- April 9, 2014,
May 13, 2014
Regular Board June 4, 2014

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School Based Funds Policy

Policy Overview

This policy describes how to manage school based funds to ensure that schools meet the legal and accounting requirements of the Halifax Regional School Board (HRSB), the Nova Scotia Department of Education and Early Childhood Development (EECD), and the Canada Revenue Agency (CRA).

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Policy and Procedures History

- Policy approved November 28, 2000
- Procedures approved January 2001
- Policy & Procedures revised May 31, 2006
- Handbook created May 31, 2006

1.0 Legislative Context

1.1 *Nova Scotia Education Act*

1.2 Canada Revenue Agency – Interpretative Bulletins, including but not limited to:

- RC4034 GST/HST Public Service Bodies’ Rebates
- T4130 Employers’ Guide – Taxable Benefits and Allowances
- RC4157 Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary

1.3 HRSB Purchasing Policy & Handbook

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2.0 Definition of School Based Funds

- 2.1 School based funds are defined as all funds available to or managed at the school, other than funds provided by the approved budget of the board. They include a wide range of funds received, raised, or collected in the name of the school or a school activity for the benefit of the students of that particular school.

3.0 Rationale

- 3.1 The Halifax Regional School Board is accountable to its students, parents, community members, partners, and to the Province of Nova Scotia through the Department of Education and Early Childhood Development (EECD), for the effective management of school based funds.
- 3.2 To maintain high standards of accountability to the public, the board requires schools to use generally accepted accounting practices to manage all the funds they collect.
- 3.3 Each school within the Halifax Regional School Board is part of the corporate body of the board. The school's financial records – including records of all funds raised in the name of the school – are part of the board's financial records and must be included in the board's annual audited financial statements.

4.0 Scope

This policy applies to all funds received, raised, or collected in the name of the school or school groups (e.g., student council, school teams or clubs, cafeterias, staff-parent associations or organizations), including:

- 4.1 Funds raised through contracts and service agreements
- 4.2 Student fees as defined in the *Student Fees Guidelines* (see Appendix B in School Based Funds Handbook)
- 4.3 School based fundraising for charities and/or specific events or initiatives
- 4.4 Funds donated to schools

5.0 Authorization

5.1 The Superintendent is authorized to develop and implement procedures in support of this policy.

6.0 Policy Review

6.1 This policy will be reviewed every 5 years or on an as needed basis.

School Based Funds Procedures

1. Use of School Based Funds

- 1.1 There are two types of school based funds: general purpose funds and funds raised for a specific purpose.
 - 1.1.1 *General Purpose Funds*
 - 1.1.1.1 Funds raised for a general purpose through contracts, fees and/or fundraising activities, with no specific intent, must be used for school related activities, as approved by the school principal.
 - 1.1.2 *Funds Raised for a Specific Purpose*
 - 1.1.2.1 Funds raised for a specific purpose must be used for the purpose that is agreed upon before fundraising activities begin. Decisions regarding the purpose of a particular fundraising activity or activities must be documented in writing and approved by all parties involved in the activity or activities. The principal must approve all fundraising activities and has the authority to withhold approval if he or she deems the activity to be unsafe or inconsistent with board policies.
 - 1.1.2.2 If, at the end of the school year, there is a balance remaining of funds raised for a specific purpose, the balance must be carried forward to the next year, and not used for another purpose without prior agreement among all parties regarding their application to other uses.
- 1.2 Unacceptable uses of school based funds include:
 - 1.2.1 Mileage and travel reimbursements to employees. These must be processed through the board's Payroll Office.
 - 1.2.2 Monetary payments to employees for services. All payments for services, even those outside the normal course of one's duties, must be paid through the board's Financial Services Department. School funds can be used to reimburse these costs, but the payment must flow through Financial Services because these disbursements require the board to issue a T4 or T4A slip.
 - 1.2.3 Payments for items tendered through the board's Purchasing Office. These must be ordered through the approved purchasing method.
 - 1.2.4 Personal items for staff or other non-school-related expenditures, including donations to third party organizations for non-education related purposes.

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- 1.2.5 Gift cards with the exceptions as noted in Chapter 2 of the Handbook.
- 1.2.6 The purchase of alcohol including, but not limited to, beverages as part of a meal or alcohol purchased as gifts or prizes.

2. Roles and Responsibilities

2.1 Financial Services Department

The Director, Financial Services and/or designated Financial Services staff have these responsibilities:

- 2.1.1 Develop and update the Halifax Regional School Board's *School Based Funds Policy, Procedures and the supporting Handbook*.
- 2.1.2 Provide periodic professional development to school staff to ensure effective implementation of this policy and associated procedures.
- 2.1.3 Follow up on audit reports of school based funds that may be completed from time to time.
- 2.1.4 Receive and maintain a central file of annual financial reports from each school.
- 2.1.5 Ensure that schools have appropriate accounting software and/or technology for administering school based funds.
- 2.1.6 Authorize the number and purpose of bank accounts that can be maintained for each school.
- 2.1.7 Prepare an annual report of school based funds for the board.

2.2 School Administration Department

The Director of School Administration and/or designated School Administration staff have these responsibilities:

- 2.2.1 Monitor implementation of this policy and associated procedures as defined in the board's *School Based Funds Policy*.
- 2.2.2 Report any of the following incidents to the Director, Financial Services or designated staff:
 - lost or stolen funds
 - misuse of funds
 - failure to follow this policy and associated procedures.

2.3 Principals

The *Education Act*, section 38 (2) (o) states: "It is the duty of a principal to account to the school board for money received from the school board, or any other source". In carrying out these duties, principals have the following responsibilities:

- 2.3.1 Ensure that effective accounting procedures, practices and internal controls are implemented in accordance with the board's *School Based Funds Policy, Procedures and the supporting Handbook*.
- 2.3.2 Submit an annual financial report for the fiscal year ending March 31 to Financial Services not later than April 21 of each school year.
- 2.3.3 Designate a staff person or persons (e.g. school secretary or vice principal) to be responsible for receipts, disbursements, banking, and record-keeping.
- 2.3.4 Approve any new bank account.
- 2.3.5 Ensure that processes are in place to adequately control funds within the school, including security over cash and accounting records. These processes include, but are not limited to, ensuring that:
 - 2.3.5.1 All funds raised by, or in the name of the school, are deposited intact to an approved school bank account and never into an individual's personal bank account.
 - 2.3.5.2 All bank accounts have a minimum of two and maximum of four authorized signing officers, one of whom must be the principal.
 - 2.3.5.3 Cheques are never pre-signed.
 - 2.3.5.4 Any transaction over \$25,000, with the exception of school trips, is processed through Financial Services and not a school's bank account.
 - 2.3.5.5 Any disbursement requiring a T4 tax slip is processed through the board's Payroll Office.
- 2.3.6 Communicate responsibilities to staff members and others who collect funds in the school's name (e.g., parent-teacher associations or organizations).
- 2.3.7 Ensure that a *specific* staff member is designated as the contact person for each group, club or class involved with financial transactions.
- 2.3.8 Review accounting records at least monthly.
- 2.3.9 If funds are lost or stolen, immediately notify the School Administration Supervisor, who will notify the Regional Accounting Services Manager.

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- 2.3.10 Ensure that the school or anyone representing the school does not enter into contracts of more than one year, in the name of the school or the board, without first consulting with the board's Purchasing Office.
- 2.3.11 Ensure that monetary payments to non-employees for services in excess of \$100 per transaction are paid through the board's Accounts Payable Office, unless the individual has a valid business number, which puts the onus on the individual to file a tax return.

2.4 Designated Accounting Staff Person or Persons

The principal may designate one or more individuals in the school to:

- 2.4.1 Implement the procedures in the board's *School Based Funds Policy, Procedures and the supporting Handbook* as directed by the principal.
- 2.4.2 Act as one of the approved signing officers on the school bank account(s).
- 2.4.3 Count and verify funds received for deposit, and issue receipts to the individual(s) remitting the funds.
- 2.4.4 Prepare bank deposits and deposit funds at the bank on a daily basis, unless there is a safe on site, in which case the deposits must be made at least weekly.
- 2.4.5 Issue cheques and ensure that all requests for payments are properly supported and approved by the principal, normally before cheques are prepared.
- 2.4.6 Record transactions in the accounting system on a regular basis (no less than weekly).
- 2.4.7 Complete the monthly bank reconciliation (within 21 days of the end of the month).
- 2.4.8 Complete the monthly file and give it to the principal for review.
- 2.4.9 Prepare transaction reports as required.
- 2.4.10 Advise the principal of deviations from procedures defined in the *School Based Funds Handbook*.
- 2.4.11 Prepare the annual financial report and submit it to the principal for approval.
- 2.4.12 Assist during any audit by providing information and supporting documentation as required.
- 2.4.13 Notify the principal, the School Administration Supervisor or the Regional Accounting Services Manager of any financial irregularities (i.e., lost or stolen funds, misuse of funds) at the school.

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2.5 School Based Staff

School based staff with responsibility for school based funds, other than those designated by the principal in section 2.4, have these responsibilities:

- 2.5.1 Work with the principal to ensure that the sources and uses of school based funds comply with board policy and the established procedures in the board's *School Based Funds Policy, Procedure and the supporting Handbook*.
- 2.5.2 Ensure that fundraising activities involving students and/or the school are in compliance with board policies and approved by the principal.
- 2.5.3 Ensure that funds received are used for the purposes for which they were raised or collected.
- 2.5.4 Ensure that the details of any financial activity related to their class or club are recorded completely and accurately.
- 2.5.5 Request and review transaction reports on a regular basis, and advise the accounting designate of any discrepancies.

2.6 Staff-Parent Groups

- 2.6.1 All funds raised by student and/or volunteer groups in the name of the school are considered to be school based funds with the exception of properly constituted organizations that operate independently.
- 2.6.2 Organizations that raise funds in the name of the school who wish to apply to operate independently are responsible for submitting *Application for Exemption for Volunteer Organizations* (Appendix B-11) to the Director, Financial Services for approval on an annual basis.
- 2.6.3 Any group that raises funds in the name of the school with the exception of those approved under section 2.6.2 has these responsibilities:
 - 2.6.3.1 Work with the principal or vice-principal to ensure that the sources and uses of school based funds comply with board policy and the established procedures in the board's *School Based Funds Policy, Procedure and the supporting Handbook*.
 - 2.6.3.2 Ensure that fundraising activities involving students and/or the school comply with board policies and are approved by the principal or vice-principal.
 - 2.6.3.3 Ensure that all bank accounts have a minimum of two and a maximum of four signing officers and ensure that cheques written from these accounts have a minimum of two signatures, one of which must belong to the principal or vice-principal.
 - 2.6.3.4 Submit and/or work with school staff to submit monthly files and financial reports to the principal or vice-principal

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according to the procedures in the board's *School Based Funds Policy, Procedures and the supporting Handbook*. If monthly files and financial reports are prepared by the school's designated staff person, a monthly report will be generated for distribution to the Staff-Parent Group executive.

- 2.6.3.5 Submit and/or work with school staff to submit an annual financial report for the fiscal year ending March 31.

2.7 External Bookkeepers

- 2.7.1 An external bookkeeper may be engaged by a school to help with the following functions only:
 - 2.3.5.6 entering data into the accounting software package
 - 2.3.5.7 completing bank reconciliations
 - 2.3.5.8 generating reports.
- 2.7.2 There must be a contract for external bookkeeping and it must be approved by the Director, Financial Services before the services commence.
- 2.7.3 The contract must state that the accounting records are always the property of the school and not the external bookkeeper. The information must be stored at the school.
- 2.7.4 The contract must state that the external bookkeeper will not have signing authority on any of the school's bank accounts.

3. Audit

- 3.1 The school based accounting records of all schools may be reviewed periodically to ensure that they comply with the procedures in the board's *School Based Funds Policy, Procedures and supporting Handbook*.
- 3.2 All school based accounting records, including those of staff-parent groups, are subject to audits at any time by Financial Services and internal or external auditors.

4. Handbook

- 4.1 The school based funds handbook contains further instructions/descriptions on how to manage school based funds, including how to record, report, and review information about the funds. The Handbook is considered an inherent component of these procedures.

SCHOOL BASED FUNDS HANDBOOK

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- Appendix B. Student Fees Guidelines
- Appendix C. Sample Forms
- Appendix D. Contacts

Chapter 1. Sources and Uses of School Based Funds

The board policy and procedures provide a broad overview of the acceptable sources and uses of school based funds. This chapter expands on section 4 of the policy by offering some specific examples of acceptable sources and uses of the funds, and by identifying a minimum list of categories for tracking the funds.

Examples of School Based Funds

Following are the four types of school based funds identified in the board policy with some examples of what they might include.

- **Funds raised through contracts and service agreements.** Where approved by the board, schools may raise funds from activities and agreements involving cafeteria services, vending machines, etc. The school normally receives a portion of the revenues from this type of contracted service. Any contracts entered into must conform to the board's purchasing policy (see www.hrsb.ca/content/id/185.html).
- **Student fees as defined in Student Fees Guidelines.** For example, at the secondary level, the school collects a fee at the beginning of the school year to cover costs for such things as the use of lockers or sports equipment, or the purchase of yearbooks. Often these are referred to as student fees. In some cases, these fees may be reimbursed at a later date (e.g., in the case of deposits for books or sports uniforms).
- **School based fundraising for charities and/or specific events or initiatives.** Schools may hold special fundraising drives—for example, to help a charity (such as the Terry Fox Run), or to provide funds to support a specific event in the school (such as a school trip), or to support a specific initiative in the school (such as the purchase of computers). In cases like these, the staff in the school organizes and manages the fundraising activity. The school principal must be advised of all fundraising activities that will take place in the school's name, before they begin. The principal has the authority to deny activities that do not comply with board policies and are deemed to be inappropriate, such as activities that interrupt instructional time, or that are high risk.
- **Funds donated to schools.** Donations may be made to a particular school either for a specific purpose or for general use. Such donations may be eligible for a charitable donation tax receipt (see Chapter 6, "Charitable Donations").

Categories for Tracking Funds

Financial Services has identified a minimum set of umbrellas (or category groupings) that schools must use to record inflows and outflows of school based funds. All categories must be grouped under one of the following umbrellas:

- Administration
- Athletics (fees, uniform deposit or replacement, gate receipts)
- Band (fees, travel expenses, uniforms)
- Breakfast Fund (donations)
- Cafeteria/Food Services (milk, hot lunch, cafeteria receipts, cafeteria commission)
- Classroom Funds (teacher accounts, primary fees)
- Donations (money given to a school)
- Fundraising
- Graduation (prom, safe grad fees)
- Grants
- Library (money used for books or library resources)
- Lunch Supervision
- Parent Groups (donations from parent associations)
- Program Resources/Activities (instructional expenses that are not covered within board-allocated funds)
- Scholarships
- Student Clubs and Activities (yearbook, newspaper, student council)
- Student Fees (locker, agendas)
- Trips (recovery of expense)
- Board Reimbursed Funds

Acceptable and Unacceptable Uses of Funds

All purchases made using school based funds must comply with the board's procedures.

Funds raised for a specific purpose must be used for the intended purpose. For example, athletic fees and graduation fees must be used for their intended purpose.

Funds raised for a general purpose with no specific intent must be used for school-related activities, at the discretion of the school principal.

Unacceptable uses of school based funds would include (but are not limited to) the items listed in the School Based Funds Procedures, section 1.2: mileage and travel reimbursement to

employees, monetary payments to employees for services, gift cards (except as noted on Handbook page 2-7), any alcohol, payments for items tendered through the board's Purchasing Office and personal items for staff or other non-school-related expenditures.

Note: If school based funds are spent on something that may not have the appearance of directly benefiting the students in the school, be sure to carefully justify the expenditure and keep the justification on file. For example, include notes on your receipts and other supporting documentation.

Balancing the Funds at Year-End

The following controls help to ensure that school based funds are appropriately managed and reported, especially at year-end:

- If the category is of an ongoing nature or for a future project, and there is a positive year-end balance in that category at the end of one school year, then the balance must be rolled forward to the next year, and not be used for another purpose.
- Any negative balance at the end of the year must be paid off from other school funds before the year-end is completed.
- Year-end balances in one-time categories should be disclosed as such, if they are to be transferred to other categories.
- Do not permit deficits for any category, unless these are subsidized by other general fundraising activities.

For more information see Chapter 9, "Year-End Reporting".

Chapter 2. Banking, Receipts & Disbursements

All schools must have a bank account for all school based funds, and a process for recording transactions. It is essential that controls be in place to safeguard the school's assets and to help in the management and record-keeping of these funds. The procedures in this chapter aim to simplify banking practices as much as possible for school staff, while ensuring that funds are secure and records are adequate.

Maintaining Controls

It is important that school administrators support and follow the established procedures outlined in this handbook. Deviation from the procedures will leave the school vulnerable to potential problems. The goal of the procedures in this chapter is to ensure that money is handled appropriately and that records are accurate, up-to-date, and useful. However, the procedures are only as good as their enforcement.

The controls are the same whether the school uses an external bookkeeper or handles the bookkeeping internally. An external bookkeeper helps a school by entering data into the accounting software package, completing bank reconciliations, and generating reports. The principal and/or designate must still follow the procedures for receipts and disbursements, as well as the monthly review of the reports and month end file.

Establishing a Bank Account

The school should have only a minimum number of bank accounts for school based funds. Financial Services may limit the number of accounts per school. All bank accounts must meet these requirements:

- Each bank account must be in the name of the school.
- No account may be opened in the school's name without the prior knowledge and approval of the school principal.
- Cheques must be pre-numbered, have two signature lines, and provide a detachable record or cheque stub with the following payment details:
 - the payee
 - the date
 - the amount of the cheque
 - the purpose of payment (category).
- The account must require two signatures on all cheques.

- It is acceptable to have up to four signing officers. The principal must be one of the four. If a cheque is payable to any one of the signing officers, that person must not sign the cheque.
- Account statements must be issued by the bank on a monthly basis, along with the cancelled cheques. The cut-off date on bank statements should be the last day of the month.
- Internet banking and debit cards are strictly prohibited for any school bank account.

Receiving Money

All staff and volunteers must follow these requirements for collecting money:

- Complete a deposit envelope or form, recording the amount collected and the intended use. (See Appendix C-1, Cash Transmittal Envelope and C-2, Cash Transmittal Slip.)
- Give the money and the deposit envelope or form to the designated individual in the school office who is responsible for counting the money. Turn in all money to the office on a daily basis.

Designated accounting staff must follow these requirements for receiving, counting, and depositing money (see the procedures, section 2.4):

- When money is received at the school, store it onsite in a designated locked and safe location that has limited access, until it can be deposited.
- Always count money in the presence of another individual and give a receipt to the individual or group who submitted the money.
- Complete a Daily Cash Log (see Appendix C-3). Ensure that the total on the deposit log matches the amount of the daily deposit.
- Promptly deposit all money intact to the appropriate bank account, on the same day you collect it, unless there is a safe onsite. In that case, funds must be deposited within one week of collection.

Making Payments

Following are a range of procedures for requesting, documenting, approving, paying, and controlling expenditures. If there is any uncertainty about a payment procedure, consult the Regional Accounting Services Manager or Clerk for clarification.

General Requirements:

- Never pay expenditures from the cash collected. Instead, deposit the total funds to the bank and write a cheque to pay for expenditures.
- Payments are to be made directly to the vendor providing the goods or services. Reimbursements to employees should be made on an exception basis only. No

employee should benefit from these reimbursements (i.e. credit card reward programs).

- Record all expenditures and pay them promptly. Expenditures for the current school year should be paid by June 30 where possible. Reimbursement to employees for a school year must be paid no later than October 1 of the following school year, unless approved by the School Administration Supervisor.
- Make all payments by cheque, except those of a minor nature, which may be paid from a petty cash fund. (See “Handling Petty Cash”, later in this chapter.)
- Items that are normally purchased using board-allocated funds should be paid directly from the Board.
- Never use Internet banking or bank debit cards for school bank accounts.

Documentation and Approvals:

- Ensure that all requests for payment are supported by *original* invoices, receipts, or other appropriate documentation. (*Note:* Do not make payments from a company statement; instead contact the vendor for the detailed invoice.)
- A payment request form (such as the one in Appendix C-4) is required for all reimbursements to capture all the relevant information, including the principal’s approval.
- Before payment, ensure that the principal signs every receipt/invoice to indicate approval and to cancel the document. (Reimbursements to principals in excess of \$500 from the school bank account must be approved by their School Administration Supervisor.)
- Before payment of a staff-parent group expenditure, a designated approval authority from the staff-parent group must sign the receipt/invoice, in addition to the principal, to indicate approval for payment.
- Do not make cheques payable to Cash.
- Do not give payments in advance to employees.
- When a cheque is issued:
 - Mark the invoice paid.
 - Record the cheque number and date on the original documentation.
 - Attach the cancelled invoice to the cheque stub.
 - File the documentation by month (see Monthly File Management, in Chapter 4).

Cheque Controls:

- Do not pre-sign cheques or use a signature stamp.
- Keep a record of all cheque numbers to account for all cheques and to prevent missing cheques. Keep voided cheques and include them in your monthly file.

- Store unused cheques in a designated, locked location to prevent loss or theft.
- There should only be one sequentially numbered book of cheques in use at all times.

Purchasing Policy:

- Follow the board's Purchasing Policy when procuring all goods and services, whether you are using school based funds or board funds (see HRSB website www.hrsb.ns.ca/content/id/185.html).
- Except for school trips, do not use a school's bank account for any individual transaction over \$25,000. Transactions over \$25,000 need to be processed through HRSB purchasing office.
- All items purchased from the school bank account, including staff-parent groups, remain the property of the school.
- Do not use school based funds to purchase items or services if the school expects to be repaid with board funds. If an item is to be charged against a board account, it must be processed through the board's Financial Services Departments, rather than paid through the school's chequing account.

Tax Regulations:

- Disbursements requiring the issuance of T4 or T4A tax slips must be processed through the board's Financial Services Department and reimbursed at the board office. (See the procedures for school based funds, section 1.2.2.)
- The board is required to issue tax slips to individuals who provide service in an employer-employee relationship to the board or to any school. This requirement also applies when paying for services such as substitutes or lunch supervision staff. To ensure that the required tax slips are prepared, these transactions *must* be processed through the board's Payroll Office, and not through school bank accounts. If the school will be using school based funds to pay for these services, the school would then reimburse the board office from their school based account.
- Payments to individuals who submit an invoice for services rendered, and who have a valid business number, can be made from school bank accounts. Tax slips are not required since their Business Number indicates they are registered with the Canada Revenue Agency (CRA).
- Schools may apply to CRA to receive a rebate of 68% of any HST paid on school purchases made through their school based accounts (see Chapter 5, Harmonized Sales Tax).

Handling Petty Cash

Petty cash funds must be accounted for through the school's general account, and replenished with a cheque from that account. It must never be replenished with cash from a deposit. As is

noted in the section on documentation and approvals, cheques must not be made payable to cash. Instead they should be made payable to the person cashing the cheque.

A float limit must be established, up to a maximum of \$500. When the fund needs to be replenished, the replenishment amount must equal the total of the disbursements since the last replenishment. At any point in time, the sum of the receipts and cash on hand must always equal the float limit.

Receipts or petty cash vouchers must be used for every transaction, and you must track who the money was paid to, its purpose, and the expense category to which it relates. Petty cash should be reconciled on a regular basis (no less than weekly), and discrepancies should be reported immediately to the principal. Figure 2-1 shows a sample Petty Cash Reconciliation. (For a blank form, see Appendix C-5.)

Gift Cards

Canada Revenue Agency considers gift certificates a near-cash item. “A near-cash item is one that can be easily converted to cash... additionally we consider a gift or award that allows the employee a wide selection of choices in the item they receive, such as gift certificates that cannot be converted to cash to be equivalent to cash.” For this reason gift cards or gift certificates are not allowed except in the following situations (provided that the appropriate tracking form has been completed):

- Purchases for the Breakfast Program where there is no food supplier delivery service available.
- Co-op or O2 or other board programs where approval has come from the Director of Program.
- PEBS or other student recognition program. These gift cards are for student recognition only and can only be given to students. The maximum value of the gift cards is \$10.

With the exception of the items listed above, gift cards must not be given to any employee of the Halifax Regional School Board. Gift cards must not be given as rewards/honorariums to volunteers of the Halifax Regional School Board.

All gift cards purchased with school based funds or board funds need to be tracked on a gift card tracking form (figure 2-2). The purpose of purchasing the gift cards must be identified and all gift cards must be signed as received. Receipts must be provided for any purchases made with the gift cards and the receipts should be attached to the gift card tracking form. These completed forms must be kept with your financial records and are subject to review by HRSB staff. Attach a copy to MasterCard statement or request for reimbursement if funds are paid through Board accounts.

If a school raises money for charitable purposes, gift cards may be purchased with these funds if the following conditions are met:

- The funds are/were raised specifically for charitable initiatives and are not taken from the general revenues of the school.
- The gift cards are not for an HRSB employee.
- The gift cards are tracked on the Gift Card Tracking Form. **In this case only**, the signature must be the Principal and one other signing officer from the school bank account.
- All other tracking procedures are followed.

Instructions for completing Gift Card Tracking Form

1. One form must be completed for every purchase of gift cards.
2. All serial numbers and denominations of the gift cards must be recorded on the form.
3. When distributed you must record the name of the person receiving the gift card and the reason that person is receiving the gift card.
4. The person receiving the gift card must sign for the gift card unless it is for charitable purposes as outlined above.

Chapter 3. Accounting Systems

This chapter identifies the minimum information that should be recorded in the school's accounting system in order to:

- safeguard school based funds
- maintain thorough records of the inflow and outflow of money
- maintain an up-to-date bank balance and ensure accurate cash management.

Using the Recommended Software

The board has chosen SchoolCash.Net (SchoolCash) as the standard computerized accounting system to be used by schools. This is the software that is supported by the board.

Using SchoolCash reduces the effort and time required to keep an accurate set of books. As with all other electronic systems, the records are only as good as the information entered.

Tracking Revenues and Expenditures

It is critical to keep accurate, up-to-date records of the inflow and outflow of funds. This, in addition to appropriate controls, will ensure that the money is handled appropriately, and that written records can be relied on for review and audit purposes. Accounting controls are only as good as their enforcement. It is important that school administrators support and follow these established practices when entering data into the accounting system:

- Record all revenues and expenditures completely, accurately, and promptly.
- For **revenue**, include the following information:
 - amount collected
 - purpose of funds (SchoolCash category)
 - name and signature of the group/class from whom the money was received
 - date deposited
- For **expenditures**, include the following information:
 - date the cheque was issued
 - amount of cheque
 - name of payee
 - reason the payment was issued (category)
 - cheque number
 - invoice/document number
 - invoice date

Note: All funds must be deposited intact. Do not pay expenditures from cash collected. Instead, deposit the total funds to the bank and write cheques to pay for expenditures. For more on depositing funds and making payments, see Chapter 2, “Banking, Receipts & Disbursements”.

- Ensure that the accounting system tracks and reports revenues and expenditures for each school activity. (For a minimum set of categories that schools must use in their accounting system, see “Categories for Tracking Funds” in Chapter 1.)
- Ensure that the principal reviews the revenue and expenditure records every month. (see Chapter 4, Financial Reporting)

Reconciling School Accounts

Follow these procedures to reconcile your school accounting records with your bank statements:

- Complete monthly bank reconciliations within 21 days of the statement date.
- Record any stale dated cheques that are not cashed within six months, and reverse these in your records. (*Note: Cheques are voided during the reconciliation process in SchoolCash.*)
- If deposits have not cleared within the month of reconciliation, ask the bank about the outstanding items – unless the deposits were taken to the bank on the last business day. (*Note: Banks will only investigate discrepancies for a limited amount of time, so report any problems immediately.*)
- Have the principal review and sign the monthly bank reconciliation. File the signed reconciliation as part of the monthly file, along with the cancelled cheques.

Steps to Reconcile a Bank Account

To ensure that the school’s accounting records reconcile with bank records, follow these steps every month for each school bank account:

1. Check the school’s accounting records for a list of deposits and disbursements. Compare those to the items recorded on the current bank statement. In the accounting records, mark off all deposits and disbursements that appear on the bank statement. Generate a list of all deposits and disbursements for the month that are still outstanding, once you have cleared the current items. (SchoolCash will provide this list for you.)
2. If there are any items on the bank statement that do not appear in the accounting records, enter these deposits or disbursements into the accounting records (e.g., bank interest, NSF charges). Make sure that you use the proper dates to enter these transactions so they will appear in the period being reconciled.

3. To balance the account:

- (A) Start with the bank closing statement balance. _____

- (B) Add any outstanding deposits. _____

- (C) Subtract any outstanding cheques from the list generated in step 1. _____

- (D) Check the final bank balance to ensure that it equals the balance in the accounting records for the end of the month being reconciled. _____

SchoolCash will automate this process for you and provide you with reconciliation report #11M (see Figure 3-1). Print this report and include it in the monthly file for the account. In SchoolCash, always print report #11M for the month being reconciled.

4. Reports must be reviewed each month by the principal. For steps, see Chapter 4.

Figure 3-1. Bank Reconciliation Report (using SchoolCash)

This is the first page of a three-page report. For all three pages, see Figures 9-3A to 9-3C in Chapter 9.

Reconciliation Detail Report			
Test ABC School			
General Account			
Branch #: 00331		Account #: 1234-1111	
As At: 03/31/2009			
Summary:			
Bank Statement Beginning Balance: 03/01/2009			\$1,000.00
Cleared Cheques/Payments		-\$3,862.56	
Cleared Deposits/Credits		\$5,675.00	
	Total Cleared		\$1,812.44
Bank Statement Ending Balance: 03/31/2009			\$2,812.44
Difference			\$0.00
Uncleared Cheques/Payments		-\$137.44	
Uncleared Deposits/Credits		\$325.00	
	Total Uncleared		\$187.56
Adjusted Bank Balance: (Bank Statement Ending Plus Uncleared)			\$3,000.00
Ledger Ending Balance: 03/31/2009			\$3,000.00
Difference: (Adjusted Bank Balance Less Ledger Balance)			\$0.00
Add Investments			\$0.00
Total Bank & Investments: 03/31/2009			\$3,000.00
Approval: _____	Signature	Date: _____	

Chapter 4. Financial Reporting and File Management

This chapter describes some key financial reporting requirements for school based funds. It identifies the following:

- who is responsible for preparing and approving financial reports
- what is included in monthly reports
- how to maintain accounting files

Responsibilities

The principal is accountable to both the school community and the board to ensure that all school based funds are tracked and used appropriately. Effective financial reporting demonstrates accountability and also equips the school community and the principal to make informed decisions for the benefit of students.

Financial reports are prepared by designated staff under the direction of the principal. It is the principal's responsibility to:

- ensure that school accounts are reconciled monthly, within 21 days of the bank statement date
- review, sign and date all reports that form part of the official record of school accounts
- submit the annual Financial Report to Financial Services within 21 days of the close of the fiscal year
- ensure that monthly and annual reports and backup documentation are kept onsite for seven years
- provide financial information to the School Advisory Council and the school community upon request
- provide a monthly financial report to the Staff-Parent group if the group's account is administered by the school

Monthly Reports

Include the following information in the monthly financial reporting file for each bank account:

- an umbrella overview report – SchoolCash report #5 (see Figure 4-1)
- a transaction report – SchoolCash report #11B (see Figure 4-2)
- a bank reconciliation report – SchoolCash report # 11M (see Figures 9-3A to 9-3C in Chapter 9)

The reports may be generated by designated staff, but must be reviewed, signed, and dated by the principal.

Figure 4-1. Umbrella Overview Report (using SchoolCash report #5)

Test ABC School Bank of Montreal General Account		Category Umbrella Overview Report(Select Date Range)			Date ... Range 9/1/2008 - 3/31/2009
Unassigned Category Umbrella Type		<u>Balance Forward</u>	<u>Expense</u>	<u>Revenue</u>	<u>Balance</u>
Administration					
Administration General	1000	\$1,000.00	\$541.89	\$1,125.00	\$1,583.11
Bank Charges	1002	\$0.00	\$99.00	\$0.00	-\$99.00
HST	1010	\$0.00	\$0.00	\$0.00	\$0.00
Staff Fund	1006	\$0.00	\$0.00	\$0.00	\$0.00
	Umbrella Total:	\$1,000.00	\$640.89	\$1,125.00	\$1,484.11
Breakfast Grants					
Breakfast Grant	4000	\$0.00	\$236.36	\$0.00	-\$236.36
	Umbrella Total:	\$0.00	\$236.36	\$0.00	-\$236.36
Cafeteria/Food Services					
Cafeteria Sales	5000	\$0.00	\$0.00	\$0.00	\$0.00
Canteen	5002	\$0.00	\$436.00	\$1,212.00	\$776.00
	Umbrella Total:	\$0.00	\$436.00	\$1,212.00	\$776.00
Classroom Funds					
Class Funds General	6000	\$0.00	\$0.00	\$325.00	\$325.00
Primary Supplies	6004	\$0.00	\$0.00	\$0.00	\$0.00
	Umbrella Total:	\$0.00	\$0.00	\$325.00	\$325.00
Fundraising					
Fundraising General	8000	\$0.00	\$711.00	\$1,397.00	\$686.00
	Umbrella Total:	\$0.00	\$711.00	\$1,397.00	\$686.00
Library					
Library	11000	\$0.00	\$115.00	\$0.00	-\$115.00
	Umbrella Total:	\$0.00	\$115.00	\$0.00	-\$115.00
Parent Groups					
PSA	13000	\$0.00	\$0.00	\$790.00	\$790.00
PSA - Classroom Accounts	13004	\$0.00	\$0.00	\$0.00	\$0.00
PSA - General	13006	\$0.00	\$0.00	\$0.00	\$0.00
PSA - Trips	13002	\$0.00	\$0.00	\$0.00	\$0.00
	Umbrella Total:	\$0.00	\$0.00	\$790.00	\$790.00
Student Fees					
Agendas	17002	\$0.00	\$503.75	\$0.00	-\$503.75
	Umbrella Total:	\$0.00	\$503.75	\$0.00	-\$503.75
Trips					
Field Trips General	18000	\$0.00	\$921.00	\$1,151.00	\$230.00
	Umbrella Total:	\$0.00	\$921.00	\$1,151.00	\$230.00
	Umbrella Type Total:	\$1,000.00	\$3,564.00	\$6,000.00	\$3,436.00
		\$1,000.00	\$3,564.00	\$6,000.00	\$3,436.00

Transaction Report

The transaction report lists each transaction that has been recorded in SchoolCash for the month, including the amount, date, cheque number and vendor information, category charged, and memo details. See the sample in Figure 4-2. This report is a record of the details of posted transactions. After the Principal has reviewed and signed this report, include it in the monthly file.

Figure 4-2. Report 11B – Transaction Report (Range of Date)

Test ABC School Bank of Montreal General Account		Range Of Date Transactions - Detailed Summary						03/01/2009	03/31/2009	
								Date ...	Range	
								Balance Forward: \$52.64		
Date	Category Name	Transaction	Description	Debit	Credit	Tax Paid	Tax Rebate	Cleared	Balance	
03/03/2009	Canteen	Cheque319	Greco Pizza Hot Lunch program	\$436.00		\$50.16	\$34.11	X	-\$383.36	
03/14/2009	Program Resources	Cheque334	Learning Resources Inc. Classroom Resources	\$436.00		\$50.16	\$34.11	X	-\$819.36	
03/16/2009	Field Trips General	Deposit1	Neptune Trip		\$1,000.00			X	\$180.64	
03/20/2009	Agendas	Cheque344	Premier School Agenda's Deposit on Agenda's	\$503.75				X	-\$323.11	
03/20/2009	Canteen	Deposit2	Milk		\$445.00			X	\$121.89	
03/21/2009	Canteen	Deposit3	hot lunch income		\$767.00			X	\$888.89	
03/21/2009	Field Trips General	Cheque345	Nova Charter Grade 3 trip to Neptune Inv# 6547	\$400.00				X	\$488.89	
03/22/2009	Field Trips General	Deposit4	3 Jones Bus to Citadel		\$151.00			X	\$639.89	
03/22/2009	Administration General	Deposit4	International Students		\$1,125.00			X	\$1,764.89	
03/23/2009	Administration General	Cheque346	Staples Report Covers	\$166.30		\$19.13	\$13.01	X	\$1,598.59	
03/23/2009	Administration General	Cheque347	Beton Fire Supplies First Aid Supplies Inv# 365	\$261.10		\$30.04	\$20.43	X	\$1,337.49	
03/24/2009	Bank Charges	Cheque348	Nebs Business Forms Cheque printing	\$99.00		\$11.39	\$7.75	X	\$1,238.49	
03/25/2009	Fundraising General	Deposit5	Supplies for Spring Fair		\$1,022.00			X	\$2,260.49	
03/29/2009	Fundraising General	Deposit6	Spring Fling		\$375.00			X	\$2,635.49	
03/30/2009	PSA	Deposit7	Reimbursement for New Computer		\$790.00			X	\$3,425.49	
03/31/2009	Administration General	Cheque350	Tattletale Books Classroom books	\$92.05		\$4.39	\$2.99	X	\$3,333.44	
03/31/2009	Administration General	Cheque351	Mr. G Jones Crayons for Art Room	\$22.44				X	\$3,311.00	
03/31/2009	Library	Cheque352	Scholastic Library	\$115.00		\$13.23	\$9.00	X	\$3,196.00	
03/31/2009	Class Funds	Deposit8	5 Bennett		\$325.00			X	\$3,521.00	
03/31/2009	Field Trips General	Cheque349	Empire Theatres Band Trip to theatre Inv# 63541	\$521.00		\$59.94	\$40.76	X	\$3,000.00	
				\$3,052.64	\$6,000.00	\$238.44	\$162.16			

Bank Reconciliation Report

Each month, the school must reconcile the bank account balance(s) from the bank statement to the accounting system balance (see “Reconciling School Accounts” in Chapter 3). SchoolCash automates this process for you and produces a bank reconciliation report (#11M introduced earlier in Figure 3-1). The principal must review the bank reconciliation report along with the related bank statement, returned cheques, and other items returned from the bank. Any questionable items should be investigated immediately with the designated staff person(s) or the bank.

Detailed Category Reports

You may need more information for a particular category than the monthly reports provide – for example, to report to the school community on a fundraising project or a school trip. SchoolCash allows you to generate detailed category reports, such as the sample in Figure 4-3. If you need help to prepare any additional reports, contact Regional Accounting Services.

In addition to the transaction report, a detailed category report will provide you with the detailed transactions, but sort and subtotal by category, rather than simply list in date order. Split transactions (transactions that are posted to more than one category) will be broken down by category if you print a detailed category report for the month.

Figure 4-3. Detailed Categories Report (using SchoolCash)

Test ABC School Bank of Montreal General Account		Detailed Category Summary - All Transactions To Date			Report #2	09/01/2008 03/31/2009 Date ... Range	
Date	Transaction	Description	Debit	Credit	Tax Paid	Tax Rebate Cleared	Balance
Summary for: Administration General Cat. #: 1000			Contact Person:		Balance Forward:		\$1,000.00
03/22/09	Deposit 4	International Students		\$1,125.00		<input checked="" type="checkbox"/>	\$2,125.00
03/23/09	Cheq 346	Staples Report Covers	\$166.30		\$19.13	\$13.01 <input checked="" type="checkbox"/>	\$1,958.70
03/23/09	Cheq 347	Beton Fire Supplies First Aid Supplies Inv# 365	\$261.10		\$30.04	\$20.43 <input checked="" type="checkbox"/>	\$1,697.60
03/31/09	Cheq 350	Tattletale Books Classroom books	\$92.05		\$4.39	\$4.39 <input checked="" type="checkbox"/>	\$1,605.55
03/31/09	Cheq 351	Mr. G Jones Crayons for Art Room	\$22.44			<input checked="" type="checkbox"/>	\$1,583.11
Subtotal for Administration General			\$541.89	\$1,125.00	\$53.56	\$37.83	\$1,583.11
Summary for: Canteen Cat. #: 5002			Contact Person:		Balance Forward:		\$0.00
03/03/09	Cheq 319	Greco Pizza Hot Lunch program	\$436.00		\$50.16	\$34.11 <input checked="" type="checkbox"/>	-\$436.00
03/20/09	Deposit 2	Milk		\$445.00		<input checked="" type="checkbox"/>	\$9.00
03/21/09	Deposit 3	hot lunch income		\$767.00		<input checked="" type="checkbox"/>	\$776.00
Subtotal for Canteen			\$436.00	\$1,212.00	\$50.16	\$34.11	\$776.00
Summary for: Field Trips General Cat. #: 18000			Contact Person:		Balance Forward:		\$0.00
03/16/09	Deposit 1	Neptune Trip		\$1,000.00		<input checked="" type="checkbox"/>	\$1,000.00
03/21/09	Cheq 345	Nova Charter Grade 3 trip to Neptune Inv# 6547	\$400.00			<input checked="" type="checkbox"/>	\$600.00
03/22/09	Deposit 4	3 Jones Bus to Citadel		\$151.00		<input checked="" type="checkbox"/>	\$751.00
03/31/09	Cheq 349	Empire Theatres Band Trip to theatre Inv# 63541	\$521.00		\$59.94	\$40.76 <input checked="" type="checkbox"/>	\$230.00
Subtotal for Field Trips General			\$921.00	\$1,151.00	\$59.94	\$40.76	\$230.00
Opening Balance: \$1,000.00			\$1,898.89	\$3,488.00	\$163.66	\$112.70	\$2,589.11

Checklist

In order to assist with the review of the month end review the following check list, with corresponding samples, is available in Document Depot.

Figure 4-4a. School Based Funds Monthly Checklist

 Halifax Regional School Board	<h2 style="margin: 0;">School Based Funds Monthly Checklist</h2> <p style="margin: 0;">For the month of _____</p>	
Reconciliation and Reports given to Principal by 20th of the month		
Monthly File		
	Cheque stubs attached to approved invoices/receipts/cheque requests	
	Bank deposits forms with appropriate documentation attached	
	Bank statements with cancelled cheques	
	Void cheques - if applicable	
	Report 11M - Monthly Bank Reconciliation (see below)	
	Report #5 - Overview Umbrella Report (see below)	
	Report #11B - Range of Date Transactions (see below)	
ITEM	Report 11M - Monthly Reconciliation (Sample #1)	
<i>Item 1-1</i>	Date on Bank Statement is same as on report	
<i>Item 1-2</i>	Bank Balance on report equals ending balance on bank statement	
<i>Item 1-3</i>	Ledger Balance is positive	
<i>Item 1-4</i>	Date on outstanding deposits are not more that 2 days prior to end of month	
	Does the number of cheques returned from the bank match the number of cheques on the report	
	Review Cheques - Have any of the documents been altered	
	Review Deposits Dates - Are deposits being done weekly?	
	Review any cheques not signed by the Principal - Are they supported by appropriate documentation in the file	
	Report 5 Overview Umbrella Report (Sample #2)	
<i>Item 2-1</i>	End date is same as Bank Reconciliation	
<i>Item 2-2</i>	Negative category balances are appropriate (net expenses)	
<i>Item 2-3</i>	Grand Total, ending balance, is more than total calculated committed funds	
	Report 11B - Range of Date Transactions - Detailed Summary (Sample #3)	
<i>Item 3-1</i>	Date range is for the reconciled month	
<i>Item 3-2</i>	Are there any questionable transactions	
<i>Item 3-3</i>	Is HST being recorded on cheques	
	Are there any errors by omission (something you expected to see is not there)	
	Optional - Report # 2 Detailed Category Summary (Breakfast Grant, Grade 9 trip)** (Sample #4)	
<i>Item 4-1</i>	End date is same as Bank Reconciliation	
<i>Item 4-2</i>	End Balance corresponds to report #5	
	HST	
	When was HST last filed with Canada Revenue Agency	
	_____	_____
	Principal Signature	Date
	**Teachers responsible for a trip or activity are given this report to verify the transactions and balances.	
	Once Completed keep in the monthly file	

Figure 4-4b. Sample 1 – Monthly Bank Reconciliation Report

Reconciliation Detail Report		Sample #1		
Test Rainy High School Branch #: 00000 Account #: 5555-5555 As At: 07/31/2010 Item 1-1				
Summary:				
Bank Statement Beginning Balance: 07/01/2010		\$9,235.00		
Cleared Cheques/Payments	-\$6,840.00			
Cleared Deposits/Credits	\$5,630.00			
Total Cleared		-\$1,210.00		
Bank Statement Ending Balance: 07/31/2010		\$8,025.00 Item 1-2		
Difference				
		\$0.00		
Uncleared Cheques/Payments	-\$6,035.66			
Uncleared Deposits/Credits	\$3,200.00			
Total Uncleared		-\$2,835.66		
Adjusted Bank Balance: (Bank Statement Ending Plus Uncleared)		\$5,189.34		
Ledger Ending Balance: 07/31/2010		\$5,189.34 Item 1-3		
Difference: (Adjusted Bank Balance Less Ledger Balance)				
		\$0.00		
Add Investments		\$0.00		
Total Bank & Investments: 07/31/2010		\$5,189.34		
Approval: _____ Date: _____ Signature				
Reconciliation Detail Report Test Rainy High School Branch #: 00000 Account #: 5555-5555 As At: 07/31/2010				
Ledger Balance At: 07/31/2010		\$5,189.34		
Bank Statement Ending Balance: 07/31/2010		\$8,025.00		
Bank Statement Beginning Balance: 07/01/2010		\$9,235.00		
Cleared Transactions				
Cheques and Payments				
<u>Date</u>	<u>Transaction</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
07/02/2010	Cheq	1006 Wilma Flinstone Academic Scholarship	-\$500.00	-\$500.00
07/14/2010	Cheq	1001 Cleves Athletic refresh Inv#	-\$2,356.00	-\$2,856.00
07/14/2010	Cheq	1003 Lopez School Supplies Department supplies for new	-\$2,354.00	-\$5,210.00
07/14/2010	Cheq	1004 McFun Rentals Grad Performance and Prom Inv#	-\$1,130.00	-\$6,340.00
07/14/2010	Cheq	1008 Jessica Alba Academic	-\$500.00	-\$6,840.00
		Total Cheques and Payments	-\$6,840.00	-\$6,840.00
Deposits and Credits				
<u>Date</u>	<u>Transaction</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
07/14/2010	Deposit	1	\$5,630.00	\$5,630.00
		Total Deposits and Credits	\$5,630.00	\$5,630.00
		Total Cleared Transactions	-\$1,210.00	-\$1,210.00
Uncleared Transactions				
Cheques and Payments				
<u>Date</u>	<u>Transaction</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
06/30/2010	Cheq	1009 Chelsea Brown HRSB	-\$1,000.00	-\$1,000.00
06/30/2010	Cheq	1010 Brad Pitt HRSB scholarship	-\$1,000.00	-\$2,000.00
06/30/2010	Cheq	1011 Stock Transportation Nfld trip - grade 9 Inv# 654	-\$700.00	-\$2,700.00
07/02/2010	Cheq	1005 Linda Evans Academic	-\$500.00	-\$3,200.00
07/14/2010	Cheq	1002 First Choice Travel Deposit on Europe trip Inv# Trip-03	-\$2,335.66	-\$5,535.66
07/14/2010	Cheq	1007 Barney Rubble Academic	-\$500.00	-\$6,035.66
		Total Cheques and Payments	-\$6,035.66	-\$6,035.66
Deposits and Credits				
<u>Date</u>	<u>Transaction</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
04/17/2010	Deposit	3 initial deposit	\$2,700.00	\$2,700.00
07/30/2010	Deposit	2 Fees	\$500.00	\$3,200.00
		Total Deposits and Credits	\$3,200.00	\$3,200.00 Item 1-4
		Total Uncleared Transactions	-\$2,835.66	-\$2,835.66

Figure 4-4c. Sample 2 – Category Overview Report

		Sample #2			
Test	Category Umbrella Overview Report(Select Date Range)	Date ... Range			
Bank of Montreal		4/1/2010 - 7/31/2010		Item 2-1	
Rainy High School					
		<u>Balance Forward</u>	<u>Expense</u>	<u>Revenue</u>	<u>Balance</u>
Unassigned Category Umbrella Type					
Administration					
Administration	1000	-\$28,642.00	\$0.00	\$0.00	-\$28,642.00
Bank Charges	1002	\$356.00	\$0.00	\$0.00	\$356.00
Staff Funds	1006	\$1,245.00	\$0.00	\$0.00	\$1,245.00
	Umbrella Total	-\$27,041.00	\$0.00	\$0.00	-\$27,041.00
Athletics					
Athletics General	2000	-\$456.00	\$0.00	\$0.00	-\$456.00
Basketball Boys	2002	\$1,356.00	\$125.43	\$80.00	\$1,310.57
Basketball Girls	2004	\$235.00	\$346.66	\$0.00	-\$111.66
Football	2014	\$2,389.00	\$366.00	\$420.00	\$2,443.00
Hockey	2012	\$5,663.00	\$455.00	\$0.00	\$5,208.00
Track & Field	2008	-\$564.00	\$367.00	\$0.00	-\$931.00
Volleyball	2010	\$445.00	\$695.91	\$0.00	-\$250.91
	Umbrella Total	\$9,068.00	\$2,356.00	\$500.00	\$7,212.00
Band					
Band General	3000	\$657.00	\$0.00	\$0.00	\$657.00
Band Travel	3004	\$1,255.00	\$0.00	\$0.00	\$1,255.00
	Umbrella Total	\$1,912.00	\$0.00	\$0.00	\$1,912.00
Breakfast Grants					
Breakfast Grants	4000	\$435.00	\$0.00	\$0.00	\$435.00
	Umbrella Total	\$435.00	\$0.00	\$0.00	\$435.00
Cafeteria/Food Services					
Cafeteria	5002	\$3,478.00	\$0.00	\$0.00	\$3,478.00
	Umbrella Total	\$3,478.00	\$0.00	\$0.00	\$3,478.00
Donations					
Charity General	7000	\$378.00	\$0.00	\$0.00	\$378.00
	Umbrella Total	\$378.00	\$0.00	\$0.00	\$378.00
Graduation					
Grad Ceremony	9004	-\$544.00	\$600.00	\$0.00	-\$1,144.00
Graduation General	9000	-\$3,578.00	\$530.00	\$2,430.00	-\$1,678.00
	Umbrella Total	-\$4,122.00	\$1,130.00	\$2,430.00	-\$2,822.00
Grants					
Grants	10000	\$2,500.00	\$0.00	\$0.00	\$2,500.00
	Umbrella Total	\$2,500.00	\$0.00	\$0.00	\$2,500.00
Program Resources					
Art	14002	-\$984.00	\$0.00	\$0.00	-\$984.00
Business	14004	-\$1,267.00	\$1,344.63	\$0.00	-\$2,611.63
Departments General	14000	-\$456.00	\$0.00	\$0.00	-\$456.00
English	14006	-\$3,467.00	\$421.60	\$0.00	-\$3,888.60
Mathematics	14010	-\$965.00	\$54.33	\$0.00	-\$1,019.33
Science	14012	-\$446.00	\$533.44	\$0.00	-\$979.44
	Umbrella Total	-\$7,585.00	\$2,354.00	\$0.00	-\$9,939.00
Scholarships					
Scholarships	15000	\$4,578.00	\$4,000.00	\$2,000.00	\$2,578.00
	Umbrella Total	\$4,578.00	\$4,000.00	\$2,000.00	\$2,578.00
Student Clubs and Activities					
Special Events	16006	\$668.00	\$0.00	\$0.00	\$668.00
Student Council	16000	\$3,455.00	\$0.00	\$0.00	\$3,455.00
Yearbook	16004	\$2,789.00	\$0.00	\$0.00	\$2,789.00
	Umbrella Total	\$6,912.00	\$0.00	\$0.00	\$6,912.00
Student Fees					
Student Fees	17000	\$10,300.00	\$0.00	\$0.00	\$10,300.00
	Umbrella Total	\$10,300.00	\$0.00	\$0.00	\$10,300.00
Trips					
Europe Trip 2010	18010	\$8,422.00	\$2,335.66	\$3,900.00	\$9,986.34
Trips General	18000	\$0.00	\$700.00	\$0.00	-\$700.00
	Umbrella Total	\$8,422.00	\$3,035.66	\$3,900.00	\$9,286.34
Umbrella Type Total		\$9,235.00	\$12,875.66	\$8,830.00	\$5,189.34
Grand Total		\$9,235.00	\$12,875.66	\$8,830.00	\$5,189.34
Item 2-3					
Manual Calculation					
Committed Funds		Europe Trip	9986.34		
		Scholarship	2578.00		
		Staff Funds	1245.00		
		Band	1912.00		
		Grant	2500.00		
			18221.34		

Figure 4-4d. Sample 3 – Range of Date Transactions Report

Range Of Date Transactions - Detailed Summary								Sample #3	
Test Bank of Montreal								Item 3-1 7/1/2010 7/31/2010 Date ... Range	
Rainy High School		Item 3-2		Item 3-3		Balance Forward \$9,235			
Date	Category Name	Transaction	Description	Debit	Credit	Tax Paid	Tax Rebate	Cleared	Balance
7/2/2010	Scholarships	Cheq1005	Linda Evans Academic Scholarship	\$500.00					\$8,735.00
7/2/2010	Scholarships	Cheq1006	Wilma Flinstone Academic Scholarship	\$500.00				X	\$8,235.00
7/14/2010	Basketball Boys	Cheq1001	Cleves Athletic refresh Inv# 4589	\$125.43		\$271.04	\$184.31	X	\$8,109.57
7/14/2010	Basketball Girls	Cheq1001	Cleves Athletic refresh Inv# 4589	\$346.66				X	\$7,762.91
7/14/2010	Football	Cheq1001	Cleves Athletic refresh Inv# 4589	\$366.00				X	\$7,396.91
7/14/2010	Hockey	Cheq1001	Cleves Athletic refresh Inv# 4589	\$455.00				X	\$6,941.91
7/14/2010	Track & Field	Cheq1001	Cleves Athletic refresh Inv# 4589	\$367.00				X	\$6,574.91
7/14/2010	Volleyball	Cheq1001	Cleves Athletic refresh Inv# 4589	\$695.91				X	\$5,879.00
7/14/2010	Europe Trip 2010	Cheq1002	First Choice Travel Deposit on Europe trip Inv# Trip-03	\$2,335.66					\$3,543.34
7/14/2010	English	Cheq1003	Lopez School Supplies Department supplies for new school year Inv# 324	\$421.60		\$270.81	\$184.15	X	\$3,121.74
7/14/2010	Mathematics	Cheq1003	Lopez School Supplies Department supplies for new school year Inv# 324	\$54.33				X	\$3,067.41
7/14/2010	Science	Cheq1003	Lopez School Supplies Department supplies for new school year Inv# 324	\$533.44				X	\$2,533.97
7/14/2010	Business	Cheq1003	Lopez School Supplies Department supplies for new school year Inv# 324	\$1,344.63				X	\$1,189.34
7/14/2010	Grad Ceremony	Cheq1004	McFun Rentals Grad Performance and Prom Inv# 2233	\$600.00		\$130.00	\$88.40	X	\$589.34
7/14/2010	Graduation General	Cheq1004	McFun Rentals Grad Performance and Prom Inv# 2233	\$530.00				X	\$59.34
7/14/2010	Scholarships	Cheq1007	Barney Rubble Academic Scholarship	\$500.00					-\$440.66
7/14/2010	Scholarships	Cheq1008	Jessica Alba Academic Scholarship	\$500.00				X	-\$940.66
7/14/2010	Europe Trip 2010	Deposit1			\$3,200.00			X	\$2,259.34
7/14/2010	Graduation General	Deposit1			\$2,430.00			X	\$4,689.34
7/30/2010	Football	Deposit2	Fees		\$420.00				\$5,109.34
7/30/2010	Basketball Boys	Deposit2	Fees		\$80.00				\$5,189.34
				\$10,175.66	\$6,130.00	\$671.85	\$456.86		

Figure 4-4e. Sample 4 – Detailed Category Summary Report

Detailed Category Summary - All Transactions To Date								Sample #4		
Test Bank of Montreal Rainy High School								09/01/2009 07/31/2010 Date ... Range		
		Item 4-1								
Date	Transaction	Description	Debit	Credit	Tax Paid	Tax Rebate	Cleared	Balance		
Summary for: Europe Trip 2010 Cat. #: 18010			Contact Person:			Balance Forward:		\$8,422.00		
04/17/10	Deposit 1	initial deposit		\$700.00				\$9,122.00		
07/14/10	Cheq 1002	First Choice Travel Deposit on Europe trip Inv# Trip-03	\$2,335.66					\$6,786.34		
07/14/10	Deposit 3			\$3,200.00			X	\$9,986.34		
Subtotal for Europe Trip			\$2,335.66	\$3,900.00	\$0.00	\$0.00		\$9,986.34		
Opening Balance: \$8,422.00			\$2,335.66	\$3,900.00	\$0.00	\$0.00		\$9,986.34		
									Item 4-2	

Monthly File Management

Maintain a monthly accounting file for each bank account. The file must contain the following:

- bank reconciliation report (Figures 9-3A to 9-3C), reviewed and signed by the principal
- monthly bank statement with cancelled cheques
- deposit slips and backup (such as the daily cash log in Appendix C-3, and the cash transmittal forms in Appendices C-1 and C-2), sorted in order by date
- cheque stubs and backup (including invoices and approved payment request forms such as the sample in Appendix C-4), sorted in order by cheque number (VOID cheques must be included here)
- overview umbrella report year to-date (Figure 4-1), reviewed and signed by the principal (this report should be run after the monthly bank reconciliation has been completed)
- monthly transaction report (Figure 4-2)
- monthly reports submitted by parent-staff groups
- A separate file should be kept for copies of HST returns. Do **not** file invoices in this file. It is for copies of CRA forms and backup worksheets only. (See Chapter 5, Harmonized Sales Tax).

Procedures for Retaining Records

Follow these procedures for retaining records:

- Keep all original documents – including paid invoices, cancelled cheques, bank statements, support for deposits, and bank reconciliations – for seven years (six years plus the current year). The records from each year must be boxed, labelled, and stored in the school.
- File cheques (in numerical order) and debit memos with the bank reconciliation and the monthly bank statement, by month, as part of the monthly file.
- If you are required to submit an original invoice then keep a copy of the invoice for your records with an explanation of where the original invoice was sent.

Chapter 5. Harmonized Sales Tax (HST)

The purpose of this chapter is to help schools simplify the process of tracking and recovering the Harmonized Sales Tax (HST) in order to:

- comply with federal and provincial legislation
- minimize potential exposure to HST tax liabilities in the event of a government audit
- maximize HST rebates

Tax Legislation and Regulations

The legislation and regulations governing HST can be difficult to understand. Both the legislation and regulations change periodically, often in very subtle ways that are not noticeable until an HST audit occurs. When these changes happen, the board has to change its accounting and recording instructions to schools. Sometimes the federal or provincial government may even require retroactive changes in accounting practices.

There are two aspects of the Harmonized Sales Tax (HST) that the board and each school must address. These are:

- determining when to charge HST on money received (**most schools will not have to charge HST**)
- recovering HST paid on purchases made (68% rebate on most purchases)

The board is registered as a public institution and as a registered charitable organization. This gives it a broad range of HST exemptions. The board has also set up each of its schools as a branch location, so that as much as possible of the school based accounts will be exempt from HST requirements.

Determining When to Charge HST

The board generally assumes that each school will have less than \$50,000 in taxable sales in the previous 12 months. If taxable sales are less than \$50,000, the school is not required to collect HST on taxable sales.

If you are concerned that the taxable sales for your school may be more than \$50,000 in any consecutive 12-month period, please contact Regional Accounting Services staff, who will work with you to determine taxable sales. Figure 5-1 can be used as a reference and worksheet for determining taxable sales.

Figure 5-1. Taxable Sales Worksheet

Taxable Sales Worksheet			
Record your estimated annual sales, where applicable, under the Annual Sales column.			
Description	Taxable	Non-Taxable	Annual Sales
Textbook deposits		X	
Student activity fee		X	
Items sold at or below cost		X	
Food and drinks sold at co-instructional events		X	
Sale of school supplies at or below cost		X	
Fundraising items with a sale price less than \$5.00		X	
Funds collected from field trips		X	
Funds collected from extracurricular bus trips		X	
Bank interest earned		X	
Yearbook sales if greater than cost (Do not include donations or advertising revenue here, or in calculating whether sales exceed costs.)	X		
School rings (If a 3rd party sells the rings and the school receives a commission, the commission is exempt.)	X		
Chips/pop/snack food	X		
Fundraising items with a sale price greater than \$5.00	X		
School locks (If locks are sold, the revenue is taxable.)	X		
School locks (If locks are rented/leased, revenue is tax exempt.)		X	
Agendas	X		
Vending machine sales (If the school owns the machine, revenue is taxable.)	X		
Vending machine sales (If the school rents space to a 3rd party and receives a commission, the commission is tax exempt.)		X	
Sale of school supplies at greater than cost	X		
Estimated Total Taxable Sales			

To demonstrate to Canada Revenue Agency (CRA) that an item is being sold at a price that just covers cost, the school must record revenues and expenditures made on each activity in a way that proves there is no profit. If there is a profit, then the entire revenue, not just the profit, must be included in the HST calculation. If there are different sources of revenue (i.e., yearbook sales that include advertising or donations), be sure to clearly indicate the source of the revenue when you record it. When calculating the profit from yearbook sales, you only need to factor in the sales dollars, not the advertising revenue or donations.

Taxable Sales Greater than \$50,000

If taxable sales are more than \$50,000 in any consecutive 12-month period, the school will have to charge HST on all taxable sales, starting in the next quarter, and remit this amount to the federal government. (The school still collects an HST rebate of 68% on its purchases, as described below in the topic “Collecting the GST/HST Rebate”.)

For the purpose of determining taxable sales, a year is measured as any consecutive 12-month period; it is not tied to the fiscal year or to the school year.

If the school is required to charge HST, Financial Services staff will help set up the required accounting records.

Note: Any financial tax liability resulting from a government audit of school based account activities is the responsibility of the school. If an HST audit determines that a school should have been collecting HST, the school will be required to pay the HST.

Taxable Sales Less than \$50,000

The board has determined that most HRSB schools will have less than \$50,000 in taxable sales each year. Based on this assumption, Financial Services has obtained a “small supplier branch designation” for each school (using CRA Form GST 31). This exempts the schools from being required to collect HST on sales, and entitles schools to a rebate of 68% of the HST on most purchases (100% of the GST on books). Most HRSB schools fall into this category.

New schools should contact Financial Services staff to ensure that they are registered. If your school is not registered, Financial Services staff will help you to file a “small supplier branch designation request” (CRA Form GST 31).

Student councils that meet the same criteria may also be eligible for an HST number. This ensures that they have their own \$50,000 threshold limit. Student councils are governed by the rules in this handbook.

Collecting the GST/HST Rebate

All schools are eligible for the following sales tax rebates:

- a rebate of 100% of the Goods and Services Tax (GST) paid on all book purchases (GST is calculated at 5%, effective July 1, 2010).
- a rebate of 68% of the HST paid on all other purchases

Follow these steps to obtain a rebate of the HST paid on items purchased through school based funds:

1. Use SchoolCash to run a tax rebate report that itemizes the school's HST payments. Figure 5-2 shows a sample report. SchoolCash has a field for recording the HST on all payments. Ensure that you are recording any HST paid directly into SchoolCash.
2. In SchoolCash, run report #14 (detailed) as shown in Figure 5-2. The report requires a date range and must be run from the beginning of a month to the end of a month. Check that the date starts where the last report ended. An HST summary form, such as the one in Figure 5-3 is available as an Excel worksheet with built-in formulas that will calculate the rebate amount. (To obtain a copy, go to the board's Document Depot link at www.hrsb.ca) Keep the completed form for seven years as part of your school records and as backup for your HST return in case your records are audited. **Do not send the HST summary form to CRA.** The only forms that go to CRA are the forms in Figure 5-4 and Figure 5-5 described in step 3. Effective July 1, 2010 the Nova Scotia government increased the HST to 15%. Our forms have been updated to reflect this change.
3. Complete an "Application for GST/HST Public Service Bodies' Rebate" and a 'Provincial Schedule – GST/HST Public Service Bodies Rebate'. (See Figure 5-4 and 5-5 and the step-by-step instructions that follow the figure.) Have the principal review and sign the form; make a copy for the school files; then mail the originals to CRA. **Do not** attach supporting documentation to the application form that you send to CRA. Effective July 1, 2010 CRA requires 2 forms to be completed. One form is for the federal part of the rebate (GST 66) and the second form (RC7066) is for the provincial part of the rebate. The original of both forms need to be sent to CRA.
4. File the school copy of the application form, along with the tax rebate report and the HST summary form, in a separate file. A file should be kept for HST returns. Keeping all the returns together helps ensure consistency and is a good source of information when personnel change in the school. Your original invoices and cheque stubs should be filed in the monthly file that corresponds to the month in which the invoice was paid. These documents provide backup to substantiate your claim in case of an audit, and are an important source of information in case you need to verify what you have claimed. You must keep these records for seven years.

Figure 5-2. Transaction Report to Support HST Rebate (SchoolCash Report #14)

Test ABC School General Account Bank of Montreal		Tax Rebate Report - Detailed Forms			09/01/2010 ... 09/30/2010 Date ... Range		
Date	Transaction	Description	Category Name	Debit	Tax Paid	Tax Rebate	Clear
09/04/2010	Cheq# - 357	Woozles Classroom books -Primary	PSA - Classroom Accounts	\$366.69	\$42.19	\$42.19	
09/09/2010	Cheq# - 358	Chapters Books for Learning Center Inv# 3456	Program Resources	\$115.00	\$15.00	\$15.00	
09/15/2010	Cheq# - 363	Learning Resources Inc. Classroom Resources	Program Resources	\$671.43	\$29.20	\$29.20	
09/16/2010	Cheq# - 362	Tattletale Books Library Books Inv# 3644	Library	\$1,432.66	\$68.23	\$68.23	
Total 100% Transactions				\$2,585.78	\$154.62	\$154.62	
09/02/2010	Cheq# - 359	Staples Primary Supplies Inv# 45-56	Field Trips General	\$134.77	\$17.58	\$11.95	
09/04/2010	Cheq# - 353	Stock Transportation Grade 6 MacDonald Maritime Museum	PSA - Trips	\$316.30	\$36.39	\$24.75	
09/04/2010	Cheq# - 354	Staples Classroom supplies Grade 2 Jones	PSA - Classroom Accounts	\$126.33	\$14.53	\$9.88	
09/04/2010	Cheq# - 355	NS Power Sign	PSA - General	\$63.22	\$7.27	\$4.94	
09/07/2010	Cheq# - 360	Maritime Museum Grade 3 Smith Inv# 2200	Field Trips General	\$456.34	\$59.52	\$40.47	
09/10/2010	Cheq# - 361	Jessy's Pizza Pizza for Hot Lunch Inv# 435	Canteen	\$158.99	\$20.74	\$14.10	
09/21/2010	Cheq# - 364	Atlantic Fundraisers Tickets for Fundraiser Inv# 990	Fundraising General	\$134.22	\$17.51	\$11.91	
09/23/2010	Cheq# - 366	Farmers Dairy Ice Cream and Supplies for Parent Social Inv# 238745	PSA - General	\$156.77	\$4.45	\$3.03	
09/24/2010	Cheq# - 365	Atlantic Wholesalers Canteen supplies, napkins, spoons	Canteen	\$98.54	\$5.66	\$3.85	
Total 68% Transactions				\$1,645.48	\$183.65	\$124.88	
Total				\$4,231.26	\$338.27	\$279.50	
Approval: _____							

Figure 5-3. HST Summary Form (using Excel)



HST SUMMARY FORM (Purchases made after July 1, 2010)

Month of _____ 20__

School Name:			School No.:		
				68% HST	Fiscal Year End March 31
				124.88	
Subtotal Tax Rebate Column				124.88	
BOOKS				154.62	

Total HST Rebate	124.88	
Total HST Paid (5%)	154.62	
HST Rebate (at 68% for 15%)	124.88	(1)
HST Rebate (at 100% for 5%)**	154.62	(2)
Provincial Portion (for 68% only) (3)	83.25	(10/15 x 68% Rebate)
Federal Portion (for 68% only) (4)	41.63	(5/15 x 68% Rebate)
Total Amount Claimed	279.50	(5)

Please note the following explanations for the totals in the HST summary form, above:

- (1) HST rebate amount – Total HST at 68%
- (2) GST rebate amount – Total GST at 100%
- (3) Provincial Portion – Total from (1) times 10/15 (the provincial portion of HST is 10%)
- (4) Federal Portion – Total from (1) times 5/15 (the federal portion of HST is 5%)
- (5) Total Rebate – Sum of (2) plus (3) plus (4).

Figure 5-4. Application for GST/HST Public Service Bodies Rebate (Side 2)

Part E – Details of claim

Enter on the appropriate line of the table below the amount of rebate that you are claiming for each activity that you perform. If you engage in various public service body activities, you may qualify for rebates at different percentages based on the extent to which you use eligible goods or services in each activity. For more information, see "Special rules for claimants with multiple activity types" in Guide RC4034, *GST/HST Public Service Bodies' Rebate*.

GST and federal part of HST
If you are claiming a rebate for the provincial part of the HST, you must also complete and attach Form RC7066 SCH, *Provincial Schedule – GST/HST Public Service Bodies' Rebate*. To get this form, go to www.cra.gc.ca/gsthstpub.

Line number	Activity type	Rebate factor	Federal
300	Municipality	100%	
301	University (or affiliated college or research body) established and operated on a non-profit basis	67%	+
302	School authority established and operated on a non-profit basis	68%	+
303	Public college established and operated on a non-profit basis	67%	+
304	Hospital authority (only on activities of operating a public hospital)	83%	+
305	Charity or public institution on non-selected public service body activities (see the definition below)	50%	+
306	Qualifying non-profit organization (see Note 1 below) on non-selected public service body activities (see the definition below)	50%	+
307	Printed books (do not include in other activity types)	100%	+
308	Goods and services exported by a charity or public institution	100%	+
309	Self-government refund	100%	+
310	Hospital authority (for eligible activities other than the operation of a public hospital) – see Note 2 below	83%	+
311	Facility operator (on eligible activities) – see Note 2 below	83%	+
312	External supplier (on eligible activities) – see Note 2 below	83%	+
Total federal claim (enter this amount on line A below)			=

Total federal amount claimed

		A
Total provincial amount claimed (from Form RC7066 SCH)		
If you are able to file electronically, you must complete the applicable GST/HST NETFILE schedules. If you are not electronically filing, you must complete and attach Form RC7066 SCH with this form.	+	B
Total amount claimed (line A plus line B)	409	=

Privacy Act, Personal Information Bank number CRA PPU 001

Non-selected public service body activities are activities other than:

- those activities for which a person was designated as a municipality; or
- activities carried out in the course of:
 - fulfilling responsibilities as a local authority;
 - operating a public hospital, an elementary or secondary school, a post-secondary college or technical institute, a recognized degree-granting institution or a college affiliated with or a research body of such a degree-granting institution; or
 - making facility supplies, ancillary supplies, or home medical supplies or operating a qualifying facility for use in making facility supplies.

Notes

- If you are a qualifying non-profit organization, you must complete and file Form GST523-1, *Non-Profit Organizations – Government Funding*, each year. Do not send us your annual reports or financial statements.
- A rebate of 83% of GST and the federal part of HST is available for expenses incurred by eligible charities, public institutions, and qualifying non-profit organizations to the extent that they are also a facility operator or an external supplier. Hospital authorities are eligible for the rebate if their expenses are incurred in activities engaged in the course of operating a qualifying facility where facility supplies are made or to make facility supplies, ancillary supplies, or home medical supplies. For more information, go to www.cra.gc.ca/gsthst and select "Rebates" and "Public service bodies' rebates."

Figure 5-5. Provincial Schedule – GST/HST Public Services Rebate (Side 2)

NOVA SCOTIA			
Line number	Activity type	Rebate factor	Nova Scotia
300-NS	Municipality	57.14%	
301-NS	University (or affiliated college or research body) established and operated on a non-profit basis	67%	+
302-NS	School authority established and operated on a non-profit basis	68%	+
303-NS	Public college established and operated on a non-profit basis	67%	+
304-NS	Hospital authority (only on activities of operating a public hospital)	83%	+
305-NS	Charity or public institution on non-selected public service body activities (see the definition below) and a charity that is a facility operator or an external supplier	50%	+
306-NS	Qualifying non-profit organization (see Note 1 below) on non-selected public service body activities (see the definition below) and a qualifying non-profit organization that is a facility operator or an external supplier	50%	+
308-NS	Goods and services exported by a charity or public institution	100%	+
		Total	3 =

NEW BRUNSWICK			
Line number	Activity type	Rebate factor	New Brunswick
300-NB	Municipality	57.14%	
305-NB	Charity that is not a selected public service body and a charity that is a facility operator or an external supplier	50%	+
306-NB	Qualifying non-profit organization (see Note 1 below) that is not a selected public service body and a qualifying non-profit organization that is a facility operator or an external supplier	50%	+
308-NB	Goods and services exported by a charity or public institution	100%	+
		Total	4 =

NEWFOUNDLAND AND LABRADOR			
Line number	Activity type	Rebate factor	Newfoundland and Labrador
305-NL	Charity or public institution on non-selected public service body activities (see the definition below)	50%	
306-NL	Qualifying non-profit organization (see Note 1 below) on non-selected public service body activities (see the definition below)	50%	+
308-NL	Goods and services exported by a charity or public institution	100%	+
		Total	5 =

Total provincial amount claimed (add lines 1 to 5)
Enter this amount on line B on the back of your Form GST66. =

Privacy Act, Personal Information Bank number CRA PPU 001

Non-selected public service body activities are activities other than:

- those activities for which a person was designated as a municipality; or
- activities carried out in the course of:
 - fulfilling responsibilities as a local authority;
 - operating a public hospital, an elementary or secondary school, a post-secondary college or technical institute, a recognized degree-granting institution or a college affiliated with or a research body of such a degree-granting institution; or
 - making facility supplies, ancillary supplies, or home medical supplies or operating a qualifying facility for use in making facility supplies.

Notes

1. If you are a qualifying non-profit organization, you must complete and file Form GST523-1, *Non-Profit Organizations – Government Funding*, each year. Do not send us your annual reports or financial statements.
2. For more information, go to www.cra.gc.ca/gsthst and select "Rebates" and "Public service bodies' rebates."

Instructions for Completing the Application for GST/HST Rebate

Part A – Identification

The first time you file a return, you will have to complete Part A. After filing your first return, CRA will send you a new form that has the identification section completed.

These are the required fields:

Business Number	This is the HST number assigned to your school. A number has already been assigned to every school. If you don't have the number, contact Financial Services.
Legal name	This is the name of the school.
Mailing address	This is the school's mailing address.
Business address	Does not need to be filled in unless the school has a separate mailing address.
Contact person	Include the principal's name, title, and telephone number.
Taxation Charity Registration #	Does not need to be filled in.
Fiscal year-end	March 31 (03/31)

Part B – Claim period

The claim period includes a “from” and “to” date. The claim period must start at the *beginning* of a month and end on the *last day* of a month. Subsequent reports must start where the previous report ended. CRA is very strict on the dates and will return your claim if this method is not followed. For example, if your last transaction was on March 21, your claim period must be reported as ending on March 31.

Part C – Offset on GST/HST return

Part C is not required.

Part D – Certification

Part D is to be completed by the principal.

Part E – Details of claim (Form GST66)

The federal rebate amount is recorded on the back of form GST 66. The 68% rebate is recorded on line 302 and the GST on books is recorded on line 307.

Line 302	Split the rebate amount between the Federal and Nova Scotia fields. If you use the HST summary form (Figure 5-3), this amount is calculated for you. Enter the federal portion (calculated at 10/15 times the rebate amount) in the Federal column.
Line 307	Record the GST paid on books. 100% of the rebate is claimed under the federal column.

Total	Enter the total of lines 302 and 307 in the box 'Total federal claim'.
A	Total federal amount claimed
B	Total provincial amount claimed (see below)
409	Total of A+B. The total should match the total amount of HST rebate calculated on your HST summary form.

Provincial Schedule – GST/HST Public Services Bodies Rebate (RC7066 SCH E)

Claimant Information	Enter Business number and Name of School (this is all the required information on page 1)
Nova Scotia – Section	(page 2)
Line 302-NS	Enter Provincial portion of HST rebate (Line 5 from Figure 5-3 HST Summary Form)
Box 3	Enter amount from line 302-NS
Total provincial amount claimed	Enter amount from Box 3

Chapter 6. Charitable Donations

The HRSB is a registered charitable organization. This allows the board to issue charitable donation receipts that donors can use for tax purposes.

This chapter describes:

- the types of donations that qualify for tax receipts
- the types of donations that do not qualify for tax receipts
- the process for requesting tax receipts.

Definition and Conditions

A charitable donation is a voluntary transfer of property or cash that does not provide a material benefit to the donor or a member of the donor's family.

For a gift to qualify as a charitable donation, *all three* of the following conditions must be met:

1. Property or cash is transferred by a donor to the board.
Note: Cheques should be made payable to the board, *not* to the school. A donation *must* go through the board's accounting process in order to qualify for a charitable tax receipt. (If the cheque is cashed by the school, a school cheque must accompany a request for the receipt, along with a copy of the cheque from the donor.)
2. The donation is voluntary.
3. The donation is made without expectation of a return.
There cannot be a benefit of any kind to the donor, his or her immediate family, or to a specific person designated by the donor.

Exclusions

Contributions of services (e.g., time, skill, effort) do not qualify as charitable donations. 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, providing that the payment was returned voluntarily.

Donations made to the board can be provided for a purpose (e.g., to the benefit of a specific school) but cannot be directed to the benefit of a specific individual.

Parents or guardians providing money for workbooks or field trips for their child do not qualify for a charitable donation tax receipt.

If you are uncertain about whether a donation is eligible for a tax receipt, contact Regional Accounting Services before committing to give the tax receipt.

Gifts in Kind

A *gift in kind* is a donation other than cash. It does not include a gift of services. Examples that would qualify include computer equipment, books, and furniture.

The date of a donation for a gift in kind is the date that the donor transfers legal ownership to the board. This may not be the date of physical delivery, since an object may be on loan to the board before the date of donation.

For donations of gifts in kind, the board may issue a receipt stating the fair market value of the donation once the object has been appraised. The value is determined by the value at the date of transfer, not by the original cost of the article.

- For *new items*, the donation receipt will be equal to the original invoice amount, minus HST.
- For *used items*, the donation receipt will be based on the fair market value. An independent appraisal is required for all items with a value exceeding \$1,000.

The person who determines the fair market value of the donated property must be *independent* of the transaction, competent, and qualified to evaluate the particular property. This person must also put the evaluation in writing.

Property of little value, such as used clothing, will not qualify as a gift in kind.

Inducements and Tokens of Appreciation

The general rule that no benefit of any kind may be made available to the donor does not include items of little or no value. For example, the school may give the donor a small token as a gesture of appreciation. These items (e.g., a single flower, a pamphlet, a plastic pin, a tag, envelope seals) have no resale value, and so they do not disqualify the donation. A fundraising purchase (e.g., an amount paid for chocolate bars, cookies, etc.) is not a gift.

Receipts

There are no government regulations that set a timeframe for issuing official donation receipts, but receipts should be issued at least by the last day of February following the calendar year when the donation was made, so that the donor can use the deduction in calculating his or her taxes for the year in which the donation was made.

Financial Services receives hundreds of requests for tax receipts every year. Please send your list promptly so that all of your donors receive their tax receipts in a timely manner.

The most important date is the date of the donation. Donations received after the end of the calendar year may not be added to the previous year's donations unless the donation was postmarked in that previous year. (For example, if you receive a donation in January 2012, postmarked December 29, 2011, the donation qualifies as a 2011 donation.)

Regional Accounting Services staff will mail the receipts directly to the donors, unless you request that the receipt be sent to the school.

Receipts will be issued for donations of \$10 or more. Receipts for amounts less than \$10 will not normally be issued.

Steps for Requesting Receipts

When the school receives a donation, follow these steps to request a charitable receipt:

1. Complete the charitable donation control form, or a reasonable facsimile. For a copy of the form, go to the board's Document Depot link at www.hrsb.ca.
2. Attach one of the following: (a) the donor's cheque; (b) a school cheque if the donation was paid in cash; or (c) an independent written appraisal if it was a donation in kind.
3. Copy the form and supporting documentation for the school's records. (**Note:** Schools are not required to keep this information on file, but may wish to do so.)
4. Send the original form and payments or other supporting documentation to Regional Accounting Services. Regional Accounting Services staff will generate the receipts and request a cheque to be returned to the school for deposit into the school bank account.
5. More than 10 receipt requests must be on form and submitted electronically.

Chapter 7. Student Councils

Student councils are often involved in collecting fees and raising funds. Keeping track of the money raised and spent is an educational experience for the students involved. This chapter describes some of the financial responsibilities of student councils and their staff advisors. In particular, it clarifies the following:

- ownership of student council funds
- banking arrangements for student councils
- reporting requirements for student councils

Considerations

- All requirements outlined in the Policy, Procedures and Handbook applies to student councils and must be followed.
- Student council funds and any assets purchased with these funds belong to the school.
- The school's accounting system should enable school staff to separately track and report the revenue and expenditures related to student council activities.
- The teacher advisor must sign the student council cheques.
- The student council may be eligible for its own HST number. This allows the council to sell up to \$50,000 in goods and services per year without having to collect sales tax. It also entitles the student council to an HST rebate on purchases. (See Chapter 5, Harmonized Sales Tax.)

Chapter 8. Change in Principal or Other Signing Authority

A change in principal at a school should not affect the day-to-day administration and bookkeeping of school based funds. This chapter describes ways to maintain proper accounting and control of school based funds when there is a change of principal, and how to transfer basic financial information to the new principal or other staff members with new financial responsibilities.

Communicating Financial Information

Follow these steps when there is a change of principal at the school:

- Outgoing principal*
1. Complete the “Change in Principal” form (Figure 8-1) and gather the supporting information specified on the form. Sign side 2 of the form. For a copy of the form, go to Appendix C, or the board’s Document Depot link at www.hrsb.ca.
 2. Copy the form and the supporting information.
 3. Immediately send the copy to the School Administration Supervisor, and keep the originals at the school for the new principal.
 4. Review the form and supporting information with the incoming principal.
- Incoming principal*
5. Review the “Change in Principal” form and supporting information to verify its accuracy – together with the outgoing principal, if possible.
 6. **If there are no discrepancies** between the form and the actual financial data, complete side 2 of the form (Figure 8-1), copy the form for the school files and send the signed original and supporting documentation to the School Administration Supervisor.

If there are any discrepancies, clearly outline the discrepancies on side 2 of the form. Make two copies. Send the signed originals and supporting documentation to the School Administration Supervisor; send a complete copy to the Director, Financial Services or designate, and keep the other complete copy for the school files.

Changing the Signing Authority

The incoming and outgoing principals must meet with the bank to update the signing authority for the school.

Figure 8-1. Change in Principal (Side 1)

Change in Principal				
School Name _____	Date of Change _____			
Incoming: _____ (Please Print Full Name)	Outgoing: _____ (Please Print Full Name)			
<u>School Banking Arrangements:</u>				
The following represents all accounts held in the name of the school (if there is insufficient space please use another form)				
Bank Account Name	Bank Name and Address	Bank Account Number	Name of Signing Authorities	Bank Balance*
* The bank balance and balance per accounting records on the date of change				
Attach a copy of				
<ul style="list-style-type: none"> *The most recent bank statement for each account *The most recent bank reconciliation for each account (Report 11M) *The transaction report that corresponds to the bank reconciliation (Report 11B) *The most recent HST statement *A summary of future commitments entered into by the school *Umbrella Overview Report (Report #5) 				
Petty Cash				
Does the school operate a petty cash fund	[] Yes	[] No		
If yes, the Petty Cash fund is what amount	A	\$ <input style="width: 150px;" type="text"/>		
Total Cash in Fund on date of change	B	\$ <input style="width: 150px;" type="text"/>		
Add Total Receipts on hand	C	\$ <input style="width: 150px;" type="text"/>		
Total (B + C)*	C	\$ <input style="width: 150px;" type="text"/>		
Box 'D' must agree with Box 'A'				

Figure 8-1. Change in Principal (Side 2)

Change in Principal	
<u>Sign Off</u>	
<input type="checkbox"/>	The information on this form represents an accurate representation of the school finances as at the following date <input type="text"/>
<input type="text"/>	Forward a copy to the School Administration Supervisor
Signature of Exiting Principal	
<input type="checkbox"/>	I have reviewed the above information and agree that it appears to accurately represent the financial position of the school with the following exceptions
<input type="text"/>	
<input type="text"/>	Forward a copy to the School Administration Supervisor
Signature of Incoming Principal	

Changes in Other Staff

If there is a change in vice-principal, office staff, or others with signing authority at the school, the principal must ensure that financial records are accurate, complete, and up-to-date when they are turned over to the new employee.

Chapter 9. Year-End Reporting

This chapter aims to:

- clarify the year-end reporting process
- ensure that school accounting records are complete, accurate, and up-to-date

Demonstrating Accountability

The board has the responsibility to ensure that all funds, including school based funds, are adequately protected, that they are controlled through proper accounting procedures, and that accountability for the funds is maintained through regular financial reports. Accounting policies for the public sector require school boards to include all revenues received and disbursed by the board (including funds at the school level) in the board's audited financial statements. The Halifax Regional School Board is required to include the financial results of our schools as part of our financial results. Therefore, schools must submit annual financial reports to Financial Services. These financial reports may be subject to audit by Financial Services or the board's external auditors.

Timing

The fiscal year for the board and for schools is from April 1 to March 31, and this is the period that year-end financial reports must cover. The school must send its year-end reports and information to Financial Services by April 21 of each year.

Types of Year-End Reports

Include the following information in your school's year-end report to Financial Services:

- a year-end financial statement for each account (see Figure 9-1)
- a trial balance report – SchoolCash report #10 (see Figure 9-2)
- a reconciliation report – SchoolCash report #11M (see Figures 9-3A to 9-3C)
- a copy of the March bank statement

Year-End Financial Statement (for each account)

Figure 9-1 shows a sample year-end financial statement. Financial Services sends these forms to the schools in February. You will receive one form for every bank account held at the school. The "Balance Previous Year" will be provided by Financial Services and must match your ledger balance for the same date. The information required for this form is generated by the trial balance report (Figure 9-2(A), described below). When you complete the form and calculate the balance on hand, this balance must be the same as the ending balance in your ledger for March 31.

Figure 9-1. Year-end Financial Statement (one for each school bank account)

SCHOOL FINANCIAL STATEMENT		
YEAR ENDING March 31 20xx		
Part A.		
Account - General		
1.	Balance Previous Year	\$ 1,000.00
2.	Cash Received During Current Year	\$ <u>6,000.00</u>
3.	Total Revenue (Add 1 and 2)	\$ <u>7,000.00</u>
4.	Disbursed During Current Year	\$ <u>4,000.00</u>
5.	Balance on Hand (Subtract 4 from 3) <small>(SchoolCash - ledger balance)</small>	\$ <u>3,000.00</u>
Part B. Reimbursements to Administrative Staff		
	<u>Name</u>	<u>Amount</u>
	Principal _____	\$ _____
	Vice-Principal _____	\$ _____
	Vice-Principal _____	\$ _____
	Vice-Principal _____	\$ _____
	Accounting Designate _____	\$ _____
School _____ Any School		
Date Submitted _____ April 21, 20xx		
Signature of Principal _____ school principal		

Trial Balance Report (to complete part A)

The trial balance report (Figure 9-2(A)) shows revenue and expenses for the year, along with the categories of funds collected during the year, identified by source. For year-end reporting:

- Use the amount from the total revenue column on the trial balance report to complete the “Cash Received During Current Year” line on the school financial statement.
- Use the amount from the total expenses column on the trial balance report to complete the “Disbursed During Current Year” line on the school financial statement.
- The ‘Balance on Hand’ from the school financial statement should match the ending balance on the trial balance report.

Figure 9-2(A). Year-End Trial Balance (SchoolCash report #10)

Test ABC School Bank of Montreal General Account		Trial Balance (Umbrella Date Range)				01/04/20 .. 31/03/200 Date ... Range	
Categories	Opening Balance	Expenses	Revenues	Transfer In	Transfer Out	Balance	
1000 - Administration General	\$1,000.00	\$541.89	\$1,125.00			\$1,583.11	
1002 - Bank Charges	\$0.00	\$99.00				-\$99.00	
4000 - Breakfast Grant	\$0.00	\$236.36				-\$236.36	
5002 - Canteen	\$0.00	\$436.00	\$1,212.00			\$776.00	
6000 - Class Funds General	\$0.00		\$325.00			\$325.00	
8000 - Fundraising General	\$0.00	\$711.00	\$1,397.00			\$686.00	
11000 - Library	\$0.00	\$115.00				-\$115.00	
13000 - PSA	\$0.00		\$790.00			\$790.00	
14000 - Program Resources	\$0.00	\$436.00				-\$436.00	
17002 - Agendas	\$0.00	\$503.75				-\$503.75	
18000 - Field Trips General	\$0.00	\$921.00	\$1,151.00			\$230.00	
Total Expenses/Revenue:	\$1,000.00	\$4,000.00	\$6,000.00	\$0.00	\$0.00	\$3,000.00	
Bank Transfers:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Bank Account:	\$1,000.00	\$4,000.00	\$6,000.00	\$0.00	\$0.00	\$3,000.00	
Investment	\$0.00	\$0.00	\$0.00			\$0.00	

Spending Report (to complete part B)

Each year, the school will be required to provide the total dollar amount of reimbursements to the principal, vice principal(s), and/or account designate(s) when submitting the School Financial Statement. This information can be obtained using the Customized Transaction Report (Report #11) in SchoolCash.

- Run the report in the current year.
- In the description field, enter the individual’s last name.
- The total must be reported on the cover sheet of the School Financial Statement (see Figure 9-1).
- Print the report and attach it to the School Financial Statement.

Figure 9-2(B). Customized Transaction Report

Test		Customized Transaction Report				04/01/2011..03/31/2012	
Test 2008						Date Range	
Bank of Montreal							
<u>Date</u>	<u>Transaction</u>	<u>Category</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>	<u>Total</u>	<u>Clear Date</u>
04/20/2011	Cheque 202	Library 11000	Jim Smith Library Books	\$363.33	\$0.00	\$363.33	
05/22/2011	Cheque 203	Grade Primary/One 6002	Jim Smith Supplies for Primaries	\$963.33	\$0.00	\$963.33	
06/18/2011	Cheque 204	Administration General 1000	Jim Smith Refreshments for field day	\$126.33	\$0.00	\$126.33	
09/16/2011	Cheque 205	Administration General 1000	Jim Smith Charger for Phone	\$46.33	\$0.00	\$46.33	
Grand Total:				\$1,499.32	\$0.00	Balance:	-\$1,499.32

Reconciliation Report

Figures 9-3A, 9-3B and 9-3C show a sample bank reconciliation report. This sample report is generated in SchoolCash every month when reconciling the bank account. This report will produce a list of outstanding cheques and deposits that will explain the difference between the SchoolCash balance and the bank balance. The reconciliation report prints the ending SchoolCash balance. This balance must agree with the balance on hand recorded on the school financial statement (Figure 9-1).

Figure 9-3A. Reconciliation Report – Reconciliation Summary (SchoolCash, page 1)

Reconciliation Detail Report			
Test ABC School			
General Account			
Branch #: 00331		Account #: 1234-1111	
As At: 03/31/2009			
Summary:			
Bank Statement Beginning Balance: 03/01/2009			\$1,000.00
Cleared Cheques/Payments	-\$3,862.56		
Cleared Deposits/Credits	\$5,675.00		
	Total Cleared		\$1,812.44
Bank Statement Ending Balance: 03/31/2009			\$2,812.44
Difference			\$0.00
Uncleared Cheques/Payments	-\$137.44		
Uncleared Deposits/Credits	\$325.00		
	Total Uncleared		\$187.56
Adjusted Bank Balance: (Bank Statement Ending Plus Uncleared)			\$3,000.00
Ledger Ending Balance: 03/31/2009			\$3,000.00
Difference: (Adjusted Bank Balance Less Ledger Balance)			\$0.00
Add Investments			\$0.00
Total Bank & Investments: 03/31/2009			\$3,000.00
Approval: _____		Date: _____	
Signature			

Figure 9-3B. Reconciliation Report – Cleared Transaction Detail (SchoolCash, page 2)

Reconciliation Detail Report					
Test ABC School					
General Account					
Branch #: 00331		Account #: 1234-1111			
As At: 03/31/2009					
Ledger Balance At: 03/31/2009				\$3,000.00	
Bank Statement Ending Balance: 03/31/2009				\$2,812.44	
Bank Statement Beginning Balance: 03/01/2009				\$1,000.00	
Cleared Transactions					
Cheques and Payments					
<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
02/23/2009	Cheq	299	Farmers Dairy Milk for Breakfast program Inv# 1234	-\$236.36	-\$236.36
02/28/2009	Cheq	316	Atlantic Fundraisers Supplies for Fundraiser Inv# 6532	-\$711.00	-\$947.36
03/03/2009	Cheq	319	Greco Pizza Hot Lunch program	-\$436.00	-\$1,383.36
03/14/2009	Cheq	334	Learning Resources Inc. Classroom Resources	-\$436.00	-\$1,819.36
03/20/2009	Cheq	344	Premier School Agenda's Deposit on Agenda's	-\$503.75	-\$2,323.11
03/21/2009	Cheq	345	Nova Charter Grade 3 trip to Neptune Inv# 6547	-\$400.00	-\$2,723.11
03/23/2009	Cheq	346	Staples Report Covers	-\$166.30	-\$2,889.41
03/23/2009	Cheq	347	Beton Fire Supplies First Aid Supplies Inv# 365	-\$261.10	-\$3,150.51
03/24/2009	Cheq	348	Nebs Business Forms Cheque printing	-\$99.00	-\$3,249.51
03/31/2009	Cheq	349	Empire Theatres Band Trip to theatre Inv# 63541	-\$521.00	-\$3,770.51
03/31/2009	Cheq	350	Tattletale Books Classroom books	-\$92.05	-\$3,862.56
Total Cheques and Payments				-\$3,862.56	-\$3,862.56
Deposits and Credits					
<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
03/16/2009	Deposit	1	Neptune Trip	\$1,000.00	\$1,000.00
03/20/2009	Deposit	2	Milk	\$445.00	\$1,445.00
03/21/2009	Deposit	3	hot lunch income	\$767.00	\$2,212.00
03/22/2009	Deposit	4	International Students	\$1,276.00	\$3,488.00
03/25/2009	Deposit	5	Supplies for Spring Fair	\$1,022.00	\$4,510.00
03/29/2009	Deposit	6	Spring Fling	\$375.00	\$4,885.00
03/30/2009	Deposit	7	Reimbursement for New Computer	\$790.00	\$5,675.00
Total Deposits and Credits				\$5,675.00	\$5,675.00
Total Cleared Transactions				\$1,812.44	\$1,812.44

Figure 9-3C. Reconciliation Report – Uncleared Transaction Details up to Reconciliation (SchoolCash, page 3)

Uncleared Transactions					
Cheques and Payments					
<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
03/31/2009	Cheq	351	Mr. G Jones Crayons for Art Room	-\$22.44	-\$22.44
03/31/2009	Cheq	352	Scholastic Library	-\$115.00	-\$137.44
			Total Cheques and Payments	-\$137.44	-\$137.44
Deposits and Credits					
<u>Date</u>	<u>Transaction</u>		<u>Description</u>	<u>Amount</u>	<u>Balance</u>
03/31/2009	Deposit	8	5 Bennett	\$325.00	\$325.00
			Total Deposits and Credits	\$325.00	\$325.00
			Total Uncleared Transactions	\$187.56	\$187.56

PART THREE: APPENDICES

Appendix A. Purchasing Policy – see <http://www.hrsb.ca/content/id/185.html>
Appendix B. Student Fees Guidelines
Appendix C. Sample Forms
Appendix D. Contacts

Appendix B. Student Fees Guidelines

A. Purpose and Audience

These guidelines provide school principals with parameters to use when making decisions involving student fees. This information replaces past directives, guidelines and memos all of which were created prior to the provincial Department of Education (DOE) policy *Student Fees* (2006).

Questions and requests for support should be directed to the appropriate School Administration Supervisor.

B. Definitions

In these guidelines:

<i>Word</i>	<i>Means...</i>
Student fee	Any fee charged to students at a school. It is important to note that student fees are not limited to those typically collected in September. The term refers to fees charged to any students at any time - including fees for athletics, extra-curricular activities, student council activities, class trips, in-school presentations. (*See <i>additional examples below.</i>)
Free	without monetary charge
curricular activities	Those learning activities which are directly related to an educational program as described in the PSP
extracurricular	activities or events outside the regular academic curriculum
supply lists	lists of materials required for student's personal use in order to meet learning outcomes

**Examples of student fees:*

Elementary

handbook
field trips
assemblies
presentations
spring fling
fundraisers

Junior High

handbook
field trips
lock / locker
dances
school clubs
athletic teams
band program

Senior High

Student Council fee
handbook
field trips
lock / locker
dances
graduation
yearbook
athletic teams
travel clubs

These are not intended to be comprehensive lists. Please refer to the definition of **student fee above.*

C. Guiding Principles

- Public education is free and no student shall be denied opportunity to take part in activities that are integral to meeting learning outcomes.
- Diverse learning opportunities are important instructional choices to engage a wide variety of learning styles and to enrich learning.
- Students and families should not be placed in positions where they feel awkward or pressured. Principals must be cognizant of the challenges in their school community to financially support learning opportunities.
- Health issues need to be considered when having students share materials.
- Student fees for goods and services need to be based on actual costs.

D. PSP/Curriculum

Students shall have free access to all courses and services outlined in the Public School Programs including such courses as Family Studies, Tech Ed, Art and Music.

Other than supplies for a student's personal use, like writing tools and scribbles, schools need to provide students with all the materials they need to demonstrate success with learning outcomes. Students may choose to provide their own supplies/materials but should not be required to do so. For example, in an art class brushes should be provided to all students but some students may choose to purchase a brush for their own personal use. You may ask students to purchase a sketch book rather than a scribbler for their own personal use.

Schools are permitted to charge fees to cover the cost of rental/repairs of a musical instrument for a student's personal use.

E. September Opening

School supplies for personal use are the responsibility of the parent. Principals need to review supply lists each year with teachers to ensure requests are reasonable, related to personal (not communal use), and reflect materials necessary for students to be successful with learning outcomes. Careful consideration should be given to requests for specific product brands or colours. Supply lists may include an optional section for parents to consider such items as Kleenex, ziplock baggies and other non-instructional items for classroom use. (See *Appendix A* for a sample Supply List Form.) Schools must not require families to provide a year's worth of school supplies at the beginning of the year.

Schools choosing to collect fees for the purchase of individual student school supplies must ensure that expenses reflect actual cost, that parents have the option to make their own purchases, and that all purchasing procedures are consistent with directives in both the *Purchasing* and *Accounting for School Based Funds* policies. Principals should have a plan in place to support parents who have difficulty purchasing school supplies due either to the number of children in the school or an inability to pay based on income.

Student agendas can be strongly encouraged but may not be a required item for students at any level.

Fees collected for lock and locker rental must be appropriately categorized in SchoolCash.Net and these funds are to be used to replace worn or damaged locks and lockers only.

All other fees collected at school opening such as Student Council fees, student identification cards, must be accounted for through SchoolCash.Net categories. Principals are responsible to ensure an accountability statement of revenue and expenses shall be available to the public.

A fee which represents a combination of items must be published with a breakdown of the actual cost for each item.

F. Curricular Field Trips / Presentations

Schools are permitted to charge fees to recover the actual expenses for in-school presentations or field trips directly related to learning outcomes. Expenses may include transportation, entrance fees, and equipment rental, but shall not include substitute teacher costs. No student should be excluded from participation in a field trip/presentation because s/he is not able to pay.

Students who choose not to participate must be offered an alternative educational program at that time and they cannot be penalized through assessment for not attending.

G. Extra-curricular activities / Athletics

Schools may charge optional student fees for locker locks, student council activities, and participation in extra-curricular activities including athletics. These fees should be reasonable and determined in consultation with the School Advisory Council, parent groups and Students Council as appropriate.

All student fees should be based on actual costs. A statement of revenue and expenses must be available to the public.

H. School Advisory Council (SAC)

School Advisory Councils serve an essential role in offering feedback to schools on proposed student fees. It is important that School Advisory Council members provide input on the reasonableness and appropriateness of individual student fees. Members of the SAC should review the accounting statement of revenue and expenses that must be available to all members of the public for each student fee established at the school. The SAC can provide input to school guidelines detailing what happens should there be a surplus (revenue minus expenses) related to fees collected for a particular purpose.

Principals should annually review all school fees with their School Advisory Council.

I. Principal's Responsibilities

It is the principal's responsibility to ensure:

- An accounting statement of revenue and expenses for each student fee collected is available to the public. Accounting statements should be current, readily available and maintained according to the sound financial practices detailed in both the *Accounting for Schools Based Funds* and *Purchasing* policies.

- A fee which represents a combination of items must be published with a breakdown of the actual cost for each item (example, a Student Fee in September which covers lock, locker, student handbook and student council fees).
- Student fees are used for the purpose for which they were collected.
- The processes for the collection and disbursement of monies, including student fees, are done consistent with the Halifax Regional School Board's (HRSB) *Purchasing and Accounting for School Based Funds* policies.
- The SAC, parent groups or student council do not charge fees that are in violation of the DOE Student Fees policy or HRSB Student Fees Guidelines.
- The principal needs to consult annually with the SAC, parent groups and student council (as appropriate) in establishing student fees.
- Each teacher / class supply lists is **reviewed** and **approved** by the principal before they are published.
- Staff are informed on the guidelines related to student fees.
- There is a stated guideline to indicate what happens should any fund(s) be in a surplus position (revenue minus expenses).

J. Related Policies and Guidelines

For more information, see the following documents.

	<i>Document</i>	<i>Go to...</i>
Education Act	<ul style="list-style-type: none"> • <i>Education Act, Section 5</i> 	http://www.gov.ns.ca/legislature/legc/statute/s/eductn.htm
Provincial Policies & Regulations	<ul style="list-style-type: none"> • <i>School Fees</i> Published in 2006 	http://www.ednet.ns.ca/pdfdocs/policy/school-fees-policy-2006e.pdf
HRSB policies	<ul style="list-style-type: none"> • <i>Accounting for School Based Funds</i> • <i>Purchasing</i> 	http://www.hrsb.ns.ca/files/downloads/pdf/board/policy/sectione/e.002-school-based-funds.pdf http://www.hrsb.ns.ca/files/downloads/pdf/board/policy/sectione/e.001-purchasing.pdf

Appendix A Sample Supply List Form

School Name: _____

Principal's Name: _____

Class: _____

Teacher(s): _____

To assist you in purchasing school supplies for your child, we have prepared this list of materials.

We have also included the following list of optional items for your consideration.

As an alternative, you can participate in a bulk purchase of supplies that our school will be making. If you would like to do that, please let us know by _____ (date).

All cheques should be made payable to our school.

Appendix B Frequently Asked Questions

1. *Are parents responsible to purchase school supplies for their children i.e. pencils, notebooks, erasers, etc.?*

Answer: Yes, parents are still responsible for school supplies for a student's personal use such as those listed.

2. *What about kits that are put together by the school and sold to students for certain courses like media or art?*

Answer: Sufficient materials need to be available to students to be able to participate in all PSP courses and demonstrate achievement of outcomes in those courses. Schools can offer kits / items for purchase but students cannot be required to purchase them. Student assessment cannot be affected by their inability to pay.

3. *Traditionally \$25 has been collected from co-op students for thank you gifts and framed certificates. Is this OK?*

Answer: Co-op is listed in the PSP and is considered a course. No fees can be charged, including fees for thank you gifts. Schools are encouraged to develop other strategies to recognize community partners.

4. *Can a student be expected to purchase a Sketch Book for Art?*

Answer: Yes, this is in place of a scribbler so it is a supply. However, brushes and paint must be provided.

5. *Can schools request that students bring in thread, etc. for Family Studies class? Can they ask students to pay for sewing kits that they use in Family Studies class?*

Answer: Students cannot be expected to bring thread. The school should have it. Sufficient materials need to be available to students to be able to participate in all PSP courses and demonstrate achievement of learning outcomes in those courses. Students may be offered the opportunity to purchase sewing kits but it cannot be mandatory and student assessment cannot be affected if they don't have one.

6. *Can we ask students to co-pay for buses or in-school performances at school? It is current practice in many schools to ask for a loonie or toonie for performances. These are all curriculum related and part of PSP.*

Answer: Schools may charge fees to recover actual expenses for in-school presentations directly related to learning outcomes. However, students who cannot pay should not be denied the opportunity to participate in the learning activity.

7. *Can we charge students a fee to cover expenses for a field trip?*

Answer: Schools may charge fees to recover actual expenses for field trips directly related to learning outcomes. However, students who cannot pay should not be denied the opportunity to participate in the learning activity. Expenses may include transportation, entrance fees, equipment rentals, but shall not include substitute teacher costs.

8. *Can we charge students a fee for a locker?*

Answer: Yes, however, it cannot be mandatory. Students can choose whether to have a locker or not. Therefore, you can rent them. It does not affect the PSP whether they have a locker or not. It is important to note that (revenue) fees charged for locker / locks need to reflect actual expenses incurred with this item.

9. *Can we charge students a fee for parking on school property?*

Answer: No. Schools should develop guidelines for vehicles that park on their property during the school day.

10. *Can schools charge fees for graduation? Prom?*

Answer: Schools may charge a fee to recover the actual expenses of graduation ceremonies. In establishing fees for graduation and prom, it is important to consider the number of expenses associated with end of the year events. Schools should consult with their SAC in establishing budgets and activities for graduation and prom. It is important for schools to ensure that these events are accessible for all students.

11. *How does a school deal with a surplus?*

Answer: Schools should develop guidelines with their SACs to determine what will be done with surplus fees (revenue minus expenses).

12. *Can schools charge a technology refresh fee?*

Answer: Schools cannot charge a technology refresh fee.

13. *Can classroom teachers do purchasing for classroom supplies?*

Answer: All purchasing has to be done in line with HRSB's *Accounting for School Based Funds* and *Accounting* policies. No teacher can be given cash or cheque in advance to make purchases. Funds can only be dispersed from school funds with receipts.

14. *How can I best setup SchoolSchoolCash.Net for tracking student fees?*

Answer: Establish categories for items and post both revenue and expenses to the specific category. Avoid tracking funds in categories like "Admin General". Information is more difficult to separate from such broad categories. As always, seek finance-specific support as needed from your Manager, Regional Accounting Services.

Appendix C. Sample Forms

Appendix C contains sample forms that schools may use or adapt to help them manage their school based funds. For copies of these forms, go to the board's Document Depot at <http://myhrsb.ns.ca>

- C-1 Cash Transmittal Envelope
- C-2 Cash Transmittal Slip
- C-3 Daily Cash Log
- C-4 Expenditure Preapproval/Request for Payment
- C-5 Petty Cash Reconciliation
- C-6 Taxable Sales Worksheet
- C-7 Class Collection List
- C-8 Cash Reconciliation – School Dance
- C-9 Fundraiser Summary Form
- C-10 Charitable Donation Control Form
- C-11 Application for Exemption for Volunteer Organizations
- C-12 Change in Principal

Cash Transmittal Envelope

	Cheques	Cash
1		X 100 =
2		X 50 =
3		X 20 =
4		X 10 =
5		X 5 =
6		X 2 =
7		X 1 =
8		Coin
9		
10		Total Cash
11		
12		
13		
14		
15		
	Total Cheques	Grand Total
		(Cheques and Cash)
Name _____ Signature _____ Date _____ Credit Funds to _____ Re _____ Receipt Issued Amount Verified by _____ _____ Signature		

Cash Transmittal Slip

	Cheques	Cash
1		X 100 =
2		X 50 =
3		X 20 =
4		X 10 =
5		X 5 =
6		X 2 =
7		X 1 =
8		Coin
9		
10		Total Cash
11		
12		
13		
14		
15		
	Total Cheques	Grand Total (Cheques and Cash)

Name _____

Signature _____

Date _____

Credit Funds to _____

Re _____ Receipt Issued

Amount verified by _____ Signature _____

Receipt

Received from _____

Amount \$ _____ Date _____

Signature for Cash Received _____ Signature _____

_____ (school name)

Expenditure Preapproval

Expenditure for _____

Amount _____

Person Requesting Payment _____

Approval _____ Date _____

Principal

Request for Payment

Payable to _____

Amount _____ HST Amount _____

Category _____

Authorized Signature _____ Date _____

Principal

Please attach original receipts to this request. This form is for school bank account use only.

Taxable Sales Worksheet

Record your estimated annual sales, where applicable, under the Annual Sales column.

Description	Taxable	Non-Taxable	Annual Sales
Textbook deposits		X	
Student activity fee		X	
Items sold at or below cost		X	
Food and drinks sold at co-instructional events		X	
Sale of school supplies at or below cost		X	
Fundraising items with a sale price less than \$5.00		X	
Funds collected from field trips		X	
Funds collected from extracurricular bus trips		X	
Bank interest earned		X	
Yearbook sales if greater than cost (Do not include donations or advertising revenue here, or in calculating whether sales exceed costs.)	X		
School rings (If a 3rd party sells the rings and the school receives a commission, the commission is exempt.)	X		
Chips/pop/snack food	X		
Fundraising items with a sale price greater than \$5.00	X		
School locks (If locks are sold, the revenue is taxable.)	X		
School locks (If locks are rented/leased, revenue is tax exempt.)		X	
Agendas	X		
Vending machine sales (If the school owns the machine, revenue is taxable.)	X		
Vending machine sales (If the school rents space to a 3rd party and receives a commission, the commission is tax exempt.)		X	
Sale of school supplies at greater than cost	X		
Estimated Total Taxable Sales			

School Name: _____

**Cash Reconciliation
School Dance**

Date _____

Opening Balance {Float} _____

Door Sales

A. First Ticket number _____

B. Last Ticket number _____

C. Tickets Sold (B-A) _____

D. Price per Ticket _____

E. Door Sales (C x D) _____

Total submitted to
Office _____

Money counted by _____

RECEIPT

Received from: _____

The amount of \$ _____

Purpose: School Dance held
(date) _____

Amount Verified by _____

*Completed cash reconciliation is to be sent to the office with the money

*Receipt is filled out in the office once the money is counted and verified.

Fundraiser Summary Form

SCHOOL NAME: _____

Fundraiser: _____

Date: _____

Opening Balance (Float) _____

Details of Fundraiser (e.g. noon hour sucker sale)

Item Sold _____

Money Collected _____

Total submitted to office (float plus money collection) _____

Money counted by _____

(Two Signatures Required)

RECEIPT

Received from: _____

The amount of \$ _____

Purpose: _____

Amount Verified By: _____

***Completed cash reconciliation is to be sent to the office with the money.**

***Receipt is filled out in the office once the money is recounted and verified.**

Application for Exemption
For Volunteer Organizations

As Per Section 4.6.2, Accounting for School Based Funds Policy



Application for the Fiscal Year Ending March 31, 2_____

Organization Name: _____

Mailing Address: _____

School: _____

Name of President: _____ Phone Number: _____

Name of Treasurer: _____ Phone Number: _____

Is the organization incorporated? Yes ___ No ___ Business No. _____

Is the organization a Registered Charitable Organization? Yes ___ No ___

Are school administrative staff members permitted on the executive of the organization? Yes ___ No ___

Are school administrative staff members permitted to be voting members of the organization? Yes ___ No ___

How many authorized signing officers have been assigned to the organization's bank account? _____

Are a minimum of two signatures required on all cheques? Yes ___ No ___

Does your organization have an annual audit or review? Yes ___ No ___

If yes, who performs the audit? _____

Have you attached a copy of your current, approved constitution? Yes ___ No ___

Have you attached a copy of your most recent annual financial report? Yes ___ No ___

Please include any additional information on why your organization should be exempt from the Halifax Regional School Board Accounting for School Based Funds Policy and Procedures, as per Section 4.6.2 of the policy, in the **Additional Information** section included on the reverse of this form.

Submitted by: _____ Phone Number: _____
(Please print name)

_____ Date: _____
(Signature)

Please submit the completed application, with all requested supporting documentation to the following address:

Director, Financial Services
Halifax Regional School Board
33 Spectacle Lake Drive, Dartmouth, NS B3B 1X7

If your organization is granted an exemption, you must agree to the following terms:

1. The organization name must not include the name of the school, without the approval of the Director, Financial Services, as part of this review process.
2. School administrative staff will not be considered as voting members of the organization, or as part of the organization's executive committee.
3. In order for your organization to book the use of the school facility, you must book through Facilites Rentals.
4. The organization will not be covered by the School Insurance Program for liability purposes, and insurance coverage must be obtained by the organization for any activity at the school.
5. The school principal is not permitted to be a signing officer on the organization's bank account.

This application will be reviewed, and a written response will be provided to the organization and the school principal.

This application must be submitted on an annual basis.

Change in Principal

School Name _____ Date of Change _____

Incoming: _____ (Please Print Full Name) Outgoing: _____ (Please Print Full Name)

School Banking Arrangements:

The following represents all accounts held in the name of the school (if there is insufficient space please use another form)

Bank Account Name	Bank Name and Address	Bank Account Number	Name of Signing Authorities	Bank Balance*

* The bank balance and balance per accounting records on the date of change

Attach a copy of

- *The most recent bank statement for each account
- *The most recent bank reconciliation for each account (Report 11M)
- *The transaction report that corresponds to the bank reconciliation (Report 11B)
- *The most recent HST statement
- *A summary of future commitments entered into by the school
- *Umbrella Overview Report (Report #5)

Petty Cash

Does the school operate a petty cash fund Yes No

If yes, the Petty Cash fund is what amount A \$

Total Cash in Fund on date of change B \$

Add Total Receipts on hand C \$

Total (B + C)* C \$

Box 'D' must agree with Box 'A'

Change in Principal

Sign Off

The information on this form represents an accurate representation of the school finances as at the following date

Forward a copy to the School Administration Supervisor
Signature of Exiting Principal

I have reviewed the above information and agree that it appears to accurately represent the financial position of the school with the following exceptions

Forward a copy to the School Administration Supervisor
Signature of Incoming Principal

Appendix D. Contacts

Financial Services Department

Director, Financial Services	Terri Thompson	tthompson@hrsb.ns.ca	464-2000 ext 2241
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Regional Accounting Services

(For school based funds, instructional budget support, charitable donations, lunch supervision accounts)

Regional Accounting Services Manager	Charlotte Henderson	chenderson@hrsb.ns.ca	(902) 464-2000 ext 2221
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Regional Accounting Services Manager	Patsy Snow	psnow@hrsb.ns.ca	(902) 464-2000 ext 2239
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Regional Accounting Clerk	Annette Bezanson	abezanson@hrsb.ns.ca	(902) 464-2000 ext 2017
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Accounting & Purchasing

Manager	Kathryn Burlton	kburlton@hrsb.ns.ca	(902) 464-2000 ext 2843
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Buyer	Deborah Beck	dbeck@hrsb.ns.ca	(902) 464-2000 ext 2011
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MasterCard Administrator	Jennifer Morris	jmorris@hrsb.ns.ca	(902) 464-2000 ext 2223
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Payroll

Manager	Pamela Fry	pfry@hrsb.ns.ca	(902) 464-2000 ext 2243
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Supervisor	Sandra Crooks	sacrooks@hrsb.ns.ca	(902) 464-2000 ext 2117
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