



# **TDSB School Generated Funds Guidelines**

**2016-2017**

Last updated February 2017

## 1.0 DEFINITIONS

*School generated funds* are funds generated in schools from a number of different sources that are received, raised, or collected in the name of the school or school activity. These funds are under the direction and control of the School Principal, school council or school community. Generally this will mean all funds available to the school, other than funds provided by the approved budget of the board.

Funds recovered for expenses incurred through the school budget (Petty Cash, purchase card or through the SAP system) should be directed back to the school budget.

Other funds that are not considered school generated funds include:

- Staff social funds collected for purpose of special occasions and life events.
- Grant monies received for nutrition or other purposes through the Toronto Foundation for Student Success.
- Donations that are to be processed through the board and deposited into the school budget, and require an official tax receipt from the board.
- Funds raised by independent agencies.

### **General classifications of school generated funds**

1. **Funds raised through a board-wide initiative** – funds raised through board-wide initiatives (e.g. vending machine contracts).
2. **Funds raised through local school initiatives (Non-Board Funds)** – where approved by the board, schools raise funds from such things as field trips, snack or lunch programs, school bake sales, etc. Any profits generated are retained at the school. All purchases must conform to the board's purchasing policy.
3. **Funds raised through School Council or Parent Community (School Council Funds)** – the direct involvement of the local School Council or parent community is evident or is done on behalf of and with the Student Council and/or the parent community. This category is identified separately because board policy often requires School Council or Student Council involvement in expenditure decisions and disbursements when funds are raised jointly. (See Procedure Section X. School Council and XI. Student Council)
4. **Funds donated to schools** - donations made to a particular school either for a specific purpose or for general use. (See Procedure Section VII. Charitable Donations Requiring Tax Receipts)

## 2.0 PROCEDURES

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## **I. SOURCES AND USES OF SCHOOL GENERATED FUNDS**

### **Classifications of School Generated Funds for Ministry Year End PSAB Reporting Purposes (EFIS):**

- i) **Field Trips and Excursions** – This line item captures all amounts raised/received and the costs to support in province or out of country excursions or any field trips.
- ii) **External Charities** – This line item captures all amounts raised/received in support of and the costs in support of an external charity where the school provides the administrative process for collecting the funds. This charity would be registered with the Canada Revenue Agency.
- iii) **Student Activities and Resources** – This line captures all amounts raised/received and costs related to student activities and resources such as use of lockers, yearbooks or student activity fees. Athletic activities are recorded under this category. Field trip/excursions are excluded as they are captured separately as per above.
- iv) **Fundraising for Capital Assets** – This line captures all amounts raised/received and the costs related to the purchase of capital assets that will be amortized. Even if funds were raised for band equipment, pottery equipment or technology investments (normally recorded under the Student Activities and Resources line), if these items meet the capitalization threshold as per the TCA Guide, they would be recorded in the Capital Asset category and the data here will be transferred to the corresponding EFIS schedule.
- v) **Other Income** – Other revenues and costs that do not fall under the categories above.

### **Acceptable and Unacceptable Uses of School Generated Funds**

The Ministry guidelines determine acceptable and unacceptable uses of school generated funds to be adopted by all school boards.

All purchases made using school generated funds must comply with board policy and procedures. Relevant board policies/procedures with which to ensure compliance include Fundraising, Student Fees, School Council and Purchasing policies, where applicable.

Funds raised must be used for the intended purpose as outlined in the Plan for School Generated Funds. The accounting records should track each category separately. Amounts carried forward into the next year should be kept to a minimum unless it is part of a multi-year fundraising initiative. Deficits for any category should not be permitted, unless subsidized by other general fundraising activities. A plan should be in place to address these deficits on a timely basis.

**Examples of School Generated Funds Activities:**

- Pizza days, hot dog days, bake sales, etc.
- Fundraising Campaigns (sale of goods or merchandise)
- Walk-a-thons, dance-a-thons, swim-a-thons, read-a-thons, etc.
- Dress down days
- School dances
- School plays and concerts
- Juice and milk sales
- School clothing sales (e.g. gym uniforms) and school memorabilia
- School picture rebates/commissions
- Excursion fees
- Book (non-textbook) and magazine sales
- Special school luncheons for students
- Public transit tickets (for field trips or sporting events)

**Rules surrounding Use of School Generated Funds**

**Examples of Eligible Uses:**

<p><b>Complement Budget</b></p>	<p>School generated funds are used for school purposes and are intended to complement, not replace public funding for education. Funds can be utilized for supplementary school materials, equipment or services not funded through the school’s allocated budget.</p> <p>Examples of uses include: Student scholarships, guest speakers, graduation and other special ceremonies. These supplementary items are not required as part of the regular day school program and are non-essential or extracurricular in nature, and not required for graduation. They may be a voluntary upgrade or substitute of a more costly material to the materials funded by the budget for course purposes. Example include: Using funding to increase the number of computer equipment from what budget originally allows for.</p>
<p><b>Student Subsidies</b></p>	<p>School generated funds may be used to offset costs for students who cannot afford to fully participate in school activities.</p>
<p><b>External Charities</b></p>	<p>Activities to raise funds for support of external charities can only be organized if the charity is registered on the Canada Revenue Agency website. Funds raised for external charities should be recorded in a separate sub-ledger in the non-board or school council bookkeeping files and included in the school’s year-end PSAB report.</p>
<p><b>Co-Curricular activities</b></p>	<p>Co-curricular activities can be subsidized through school generated funds. Examples include: Art, music, drama, sports activities or other activities organized outside of school hours. They should be incorporated in the</p>

	school's non-board or school council annual budgeting process.
<b>Student Nutrition Programs</b>	School nutrition programs can be subsidized through parental contributions. Please note if these programs are funded and managed by the Toronto Foundation for Student Success (TFSS), then the funds should be reported through the TFSS nutrition account instead of the school council or non-board funds accounts.
<b>School yard/Sports facilities improvements</b>	Funds may be used for school yard and sports facilities improvement projects, within the limits outlined in Board procedures. These improvements cannot result in a significant increase in school or board operating or capital costs and future maintenance and repairs.

### Unacceptable Uses of School Generated Funds

#### Examples of Ineligible Uses:

<b>Core curriculum materials</b>	<p>Items that are to be purchased from the board's budget such as classroom learning materials, textbooks, workbooks, etc.</p> <p>School generated funds cannot be used for purchases that are considered to be for the core curriculum. Funds may not be used for learning materials that are required for completion of the curriculum such as textbooks, materials, speakers, fieldtrips or teachers that are "mandatory elements" of the subject or course.</p>
<b>Facility renewal funded through renewal grants</b>	Funds may not be used for capital infrastructure improvements, facility renewal, maintenance or upgrades if they are fully funded through the school's renewal grants from the Ministry of Education.
<b>Goods or services from Board employees that give rise to potential conflict of interest</b>	<p>Funds may not be used to pay for goods or services from Board employees or School Council members, or other purchases that would contravene with Section 217 of The Education Act or P.057 Conflict of Interest policy.</p> <p>Funds cannot be used to pay for Board employees or School Council members' professional development or compensation.</p>
<b>Gifts to Staff for Appreciation</b>	School generated funds cannot be used to purchase gifts, gift cards, meals, or monetary payments to staff.
<b>Professional Development, Travel, Meals &amp; Hospitality for Staff</b>	School Generated funds are not to be used towards staff's professional development, travel, meals & hospitality.

<b>Investments other than those permitted by the board and Regulation 471/97 of the Education Act (Eligible Investments)</b>	All investments made using school generated funds must be reported and approved by the Board, and must meet the eligibility requirements under Ministry Regulation 471/97.
<b>Political activities or administrative expenses</b>	Funds may not be used for political activities, groups, candidates, such as political donations. They also cannot be used for administrative expenses, such as for administrative fees for students enrolled in regular day school programs, etc.

## **II. ACCOUNTABILITY – ROLES AND RESPONSIBILITIES**

### **i. Roles and Responsibilities of the Senior Business Official or Designate**

- Establish guidelines for school generated funds.
- Provide training to staff on the appropriate application of the guidelines.
- Complete and/or follow-up on audit/review reports as determined by board best practice.
- Ensure accurate and timely completion of Ministry reporting.
- Ensure that all schools have suitable accounting systems and/or technology available for administering the school generated funds.

### **ii. Roles and Responsibilities of the School Superintendent**

- Reinforce to School Principals the need to adhere to board policies/procedures and guidelines.
- Ensure that schools are complying with the Board’s reporting requirements.
- Ensure staff are informed about guidelines for School Generated Funds.
- Report to the Senior Business Official or designate and the Risk Management department when there are any lost, missing or stolen funds, misappropriation and policy non-compliance.

### **iii. Roles and Responsibilities of the Principal**

- Ensure that the Guidelines for School Generated Funds are implemented in compliance with board policies/procedures for example: nutrition, excursions, student fees, and purchasing policies/procedures.
- Act as one of the approved signing officers on the school generated funds bank account(s). The Vice Principal should be the second signing officer or delegate.
- Appoint the designated individual responsible for receipts, disbursements, banking and record keeping.
- Ensure that processes are in place to adequately control the funds within the school including security over cash and records.
- Ensure that no staff members or members of the community are collecting and managing funds in their own personal bank account or any other account not reported to or approved by the board.
- Communicate responsibilities to staff members.
- Ensure that there is a primary contact for each club or class involved with financial transactions.
- Review, sign and date the monthly bank reconciliations.
- Review records periodically. Question and determine how to address any shortages or overages associated with the various activities.
- Review, sign and date the annual Financial Reports.
- Distribute and/or make available the annual financial reports as outlined in the section on Financial Reporting.
- Notify the School Superintendent and the Senior Business Official or designate immediately if funds are lost or stolen, and to ensure the Damage & Loss Report is submitted to the Risk Management office.
- Ensure that the school or any individual associated with the school does not enter into contracts in the name of the school or the board.
- Ensure that the School Council chair is aware of and understands their roles and responsibilities.
- Creation of the Annual School Fundraising Plan to ensure that funds received are disbursed as per the intent of the funds raised or collected.
- Provide reports to School Council as required.
- Participate during audit/review and ensure implementation of recommendations.



**iv. Roles and Responsibilities of the Designated Budget or Financial Staff in the school (usually the Office Administrator, Senior Office Assistant or Budget Secretary)**

- Comply with the guidelines for school generated funds as directed by the School Principal and advise the School Principal of deviations from the guidelines outlined in this manual.
- Act as one of the approved signing officers on the school bank account when there are no Vice Principals in the school.
- Verify funds received for deposit.
- Prepare bank deposits and deposit funds at the bank on a timely basis.
- Issue cheques ensuring that all requests for payments are properly supported and approved by the School Principal.
- Record transactions on a timely basis.
- Complete the monthly bank reconciliation.
- Prepare transaction reports as required for the School Principal, staff and School Council
- Maintain appropriate supporting documentation, and efficient filing system for records retention purposes
- Prepare the Annual Financial Report and submit to School Principal (if required by the Board).
- Assist during audit/review.
- Participate in board training related to school generated funds.

**iv. Roles and Responsibilities of School Staff Members**

- Collect money from students or other sources as applicable.
- Count money collected and record amount and intended use on the School Deposit Log and School Deposit Vouchers, as indicated in the section on Banking, Receipts and Disbursements.
- Ensure funds collected are securely delivered to the designated individual on a daily basis.
- Ensure that invoices have the appropriate approval and are delivered to the designated individual for payment in a timely manner.
- Request and review transaction reports on a regular basis to ensure details of financial activity related to their class or club are recorded correctly and that funds received are disbursed as per the intent of the funds raised or collected. Advise the designated individual of any discrepancy.

#### **v. Roles and Responsibilities of School Council Chair**

- Ensure fundraising activities involving the students and/or the school are in compliance with board policies and procedures and no direct or indirect benefit is derived by a member of the School Council.
- Ensure that School Council members are aware that where conflicts of interest exist, they are disclosed.
- Distribute and/or make available the annual School Council financial reports as indicated in the section on School Councils.
- Ensure the Treasurer understands their responsibility for receipts, disbursements, banking and record keeping including regular financial reporting for School Council meetings.
- Approves all requests for disbursements out of all School Council categories.
- Ensure all funds collected are counted and are kept at the school for safe keeping until deposited.

The following School Council Chair Responsibilities are only applicable if the school has a separate school bank account:

- Act as one of the approved signing officers on the School Council bank account.
- Ensure that the School Principal is a signing officer on the School Council bank account.
- Follow processes outlined by the School Principal to adequately control the funds and ensure security over cash and records of the School Council.
- It is recommended that the School Council Treasurer position be for a term not to exceed two years.
- Prepare the monthly bank reconciliation for the School Principal's review and approval
- Ensure that all records and financial reports are available for review at the school as indicated in the section on School Councils.
- Prepare semi-annual and year-end financial reports for reporting purposes.

### **III. BANKING – RECEIPTS AND DISBURSEMENTS**

The following practices represent the minimum procedures recognizing the balance between limited staffing and the need to meet basic security and reporting requirements.

#### **i. Establishing a Bank Account**

- The school should only have one non-board funds bank account and one school council bank account.
- School Councils may also use the school's non-board funds account if they have infrequent activities and do not require a separate bank account.
- Where schools participate in Lotteries and Games of Chance (see Section VIII) a separate trust bank account must be maintained as required by the Alcohol and Gaming Commission of Ontario.
- The bank account(s) shall be in the name of the school.
- Cheques for the school bank account(s) should be pre-numbered and electronically generated cheques are recommended.
- The account(s) must require two signatures on all cheques, one of which must be the School Principal. It is recommended to have a minimum of three signing officers.
- Bank account(s) established should be such that statements or e-statements are issued on a monthly basis along with returned cheques or cheque images.
- Use of client cards or bank machines is not permissible.
- Internet banking is permissible only for viewing and downloading transactions and must not be used to make payments, transfers or disbursements.

**\*\*TDSB recommends PACE Credit Union as the preferred banking institution for school generated funds banking. PACE Credit Union provides:**

- Complimentary funds pick-up service.
- Monthly reports of all TDSB school account signatory changes and cash count discrepancies to Board Finance Department staff for review purposes.
- The Board with added oversight of all TDSB school generated funds account activities.

#### **ii. Receipts**

- All money collected in the name of the school must remain onsite and be stored in a designated locked and safe location which has limited access until deposited.
- It is recommended that each school have a secure safe. The board's insurance will not reimburse schools for missing funds that were not locked inside a safe. The insurer also requires evidence that the funds were managed in accordance with board policies and procedures. This includes the counting and logging of funds collected.
- All money collected is to be deposited intact to the bank account promptly.
- Expenditures cannot be paid from the cash collected. The total funds must be deposited to the bank and a cheque written to pay for any expenditure.

- All staff collecting money must complete the “Deposit Voucher” and “Deposit Log” and forward both the money and the form together to the designated individual in the school office. These form templates are available on the TDSB Business Services website.
- Funds should be counted in the presence of two individuals.
- When the funds have been verified and prepared for deposit by the designated individual, they should sign off on the “Deposit Voucher”, indicating the second money count. The designated individual should record the deposit on the “Deposit Log” and submit the sealed envelope containing the funds to the person responsible for deposit.
- If there is a discrepancy in the count, the person submitting the deposit is notified and initials the change on the deposit voucher.
- All funds collected must be brought to the main office and are not to be kept, under any circumstances, in classrooms, desks, portables, cabinets, etc, overnight.
- You may use the same procedure for receipting funds received directly from individuals or groups not employed by the board.
- The “Deposit Voucher” must be filed with the school copy of the bank deposit slip.
- Schools should encourage collection by cheques as an alternative to cash, where appropriate, to minimize cash handling at the school.
- If there are large sums of money on hand after a fundraising event, the school should contact PACE Credit Union to pick up deposits (i.e. twice a week if necessary).

### **iii. Disbursements**

- All payments must be approved by the School Principal in advance of incurring the expense
- All disbursements must comply with the board’s procurement policy and procedures.
- The principal has the right to refuse payment, or request repayment from the employee, if the purchase contradicts with the board’s policy and procedures. Examples include: alcohol purchases, personal expenses, or purchases that contradict with system contracts.
- All disbursements must be recorded on a timely basis.
- All payments must be made by cheque.
- Pre-signing of cheques is not acceptable.
- Signature stamps or electronic signatures are not acceptable.
- Payments should only be made upon the presentation of original invoices or itemized receipts. Payments cannot be made from company statements, credit card or debit slips.
- When a cheque is issued the supporting documentation must be marked paid and the cheque number and date recorded.
- Partially completed cheques, (i.e. No payee name or amount), cheques made payable to cash are not acceptable.
- Prepayments are generally not acceptable except for deposits for booking an event or venue..
- Reimbursements to School Principals cannot be made from non-board funds. They must complete a cheque requisition for approval by their Superintendent and forwarded to Accounts Payable for processing with all supporting documentation. Should the costs be paid by non-board funds, a cheque to reimburse the school budget should be completed. The above process ensures proper segregation of duties and approval authority.
- Using the number control feature, all cheques should be accounted for.

- Voided cheques should be marked “VOID” and retained.
- Unused cheques should be stored in a designated, secure location in order to prevent loss or theft.

#### **iv. Investments**

Although this practice is not recommended, where a school has excess funds, they may be invested in the name of the school as permitted by Reg. 471/97 of the Education Act (Eligible Investments) and board policy and practices (e.g. term deposits, GIC’s, etc.).

Schools must notify the board and receive the board’s approval before investing any of their funds. These funds should be invested on a short-term basis (i.e. less than a year).

Schools are required to provide a consolidated investment report, outlining the balances and interests earned to the Board at year-end, as part of the year-end reporting process.

#### **v. Bank Reconciliation**

- Bank reconciliations must be completed monthly.
- Cheques not cashed within six months are stale-dated and should be reversed in the school’s records after issuing a stop payment to the bank.
- The School Principal shall review the monthly bank reconciliation, sign it, and retain it in the schools files.

#### **vi. Records Retention**

- All original documents, including paid invoices, cancelled cheques, bank statements, support for deposits and bank reconciliations shall be retained in the school for seven years. This includes financial records of school councils.
- The records of each year should be boxed, labeled with a description of contents and the record destruction date, and securely stored in the school.

## **IV. SCHOOL GENERATED FUNDS ANNUAL PLAN AND FINANCIAL REPORTING**

### **i. Financial Plan for School Generated Funds**

The Plan for School Generated Funds shows the purpose to which the net proceeds will be applied, how the funds are intended to be raised, the amounts projected to be raised, and the associated fund raising costs.

The Plan must comply with the Ministry and board fundraising guidelines and procedures.

The Plan will be prepared at the beginning of the school year by the School Principal after seeking sufficient and appropriate input from the school community. The purpose of the Plan is to identify the activities that will take place, ensure that they are in accordance with board policies, aligned with the School Improvement Plan, and to determine at the end of the year if the expectations were met. The Plan will include all money generated in the name of or under the auspices of the school regardless of its source or use and indicate the following:

The purpose for which the net proceeds will be used and the anticipated total costs of the item(s) being fundraised for:

- The source of revenue
- The time period during which it will be generated
- The person or group responsible for the activity
- The anticipated fundraising proceeds
- The anticipated fundraising expenses
- The anticipated net proceeds

A copy of the Plan signed by the School Principal will be submitted to the School Superintendent or designate for approval.

The School Superintendent or designate should review the Plan, make any necessary adjustments and communicate those adjustments to the School Principal. A signed copy of the Plan should be retained at the school by the end of October. In the interim period activities similar to those in previous years may be undertaken.

A copy of the approved Plan should be saved on the school network drive (Q: Drive) and used in conjunction with the review of the monthly and annual financial reports.

It is suggested that the approved Plan be communicated to the school community.

The purpose of fundraising initiatives should be communicated to the school community prior to any funds being raised.

## **ii. Plan for Prior Year Surplus Funds**

The Plan should outline the use of surplus funds from prior years, and any funds invested in GICs and other investments not designated for a specific purpose. It is recommended that funds be utilized within a 2-year period, unless designated for a specific purpose.

## **iii. Summary of Activities for School Generated Funds – Bookkeeping Register**

The Summary of Activities for School Generated Funds will be prepared for the period starting at the beginning of the fiscal year and ending at the end of each month. The Summary of Activities for School Generated Funds will show for each activity:

- Beginning balance – total for the fund at the end of the previous year
- Total receipts/revenue during the period
- Total disbursements/expenses during the period
- Net Proceeds
- Total transfers to/from other activities
- Closing balance

This report should be available to the school community and the board.

A detailed listing of all receipts, disbursements and transfers should be maintained at the school to support the summary for each activity in this report.

## **iv. Bank Reconciliation Report**

Each month, the bank account balance(s) will be reconciled to the totals shown in the list on the Summary of Activities for School Generated Funds. The School Principal will review and sign the Bank Reconciliation Report along with the related bank statement, returned cheques or cheque images and other items. Any questionable items should be investigated. The form and content of this report is discussed in the section “Banking/Receipts/Disbursements”.

This report along with the bank statement(s) should be available to the board.

## **V. ACCOUNTING SYSTEMS**

### **Background**

Accounting systems or manual systems may be used to track school council funds. Quicken software or KEV School Cash Suite & School Cash Online application are used for non-board funds record keeping. Regardless of the system in use, this guideline outlines the common components that should be found in all systems.

### **Objective**

To identify information in order to:

- Safeguard the funds
- Protect those responsible for handling the money
- Properly account for transactions that occur electronically
- Maintain a thorough set of records regarding the receipt and disbursement of the funds

### **Specifics**

Revenue and Expenditure Records (computerized or manual): All revenue and expenditures must be recorded promptly. For money received, the following information is required:

- Date received
- Amount collected
- Purpose of funds collected
- Name and signature of person from whom money is received
- Date deposited

For payments made, the following information is required:

- Date cheque issued
- Amount of cheque
- Name of payee
- Reason of payment issued
- HST paid

### **Notes**

- The accounting system must track and report revenue and expenditures for each school activity. The accumulated balance of all school activities should equal the reconciled bank balance.
- The revenue and expenditure records should be reviewed periodically by the School Principal.
- To ensure appropriate controls are in place, it is critical to keep accurate, up-to-date records regarding the receipt and disbursement of funds. This will ensure that the money is handled appropriately, that staff are protected and that written records exist which can be relied on for review/audit purposes. The controls are only as good as their



enforcement. It is important that school administrators support and follow the established practices.

- Ensure that a reliable back-up system is in place and that it has been secured and tested.
- To ensure accountability, logins to computerized accounting systems should not be shared with other users.
- Where data is hosted outside of the board, boards should ensure data is appropriately protected and secured by the third-party.

**For detailed procedures around use of the Quicken Software or KEV School Cash Suite/Online application, please refer to the available training guides on the TDSB Business Services website or contact your Finance Support Officer.**

## **VI. FINANCIAL REVIEW / AUDIT**

### **Background**

Regular reviews/audits of school generated funds help to ensure compliance with board policies and procedures. The board's Internal Audit department conducts regular reviews/audits of school generated funds.

Both an audit and a review will follow the process described in this section. The difference between these two functions is that the internal auditor will make recommendations and others will ensure that they are followed while a reviewer will make recommendations and assist school staff with implementing them. The internal auditor remains independent and objective. Boards may also have audits of school generated funds performed by external audit firms.

### **Purpose**

A review/audit is an independent examination of specified activities, which is used to assist management in the assessment of whether the organization's plans are carried out; policies and procedures are observed; and accounting is accurate for assets, liabilities, revenues, and expenses and reporting is done on a timely basis. The audit/review usually consists of analysis, recommendations, and comments regarding the activities reviewed/audited.

This section of the Guidelines provides guidance for a review/audit of school generated funds as outlined in the section on Sources and Uses of school generated funds.

### **Scope**

The scope of the review/audit includes:

- Evaluating the adequacy and application of financial and other operating controls
- Reviewing compliance with related board policies, Ministry guidelines
- Evaluating the timeliness, accuracy, and usefulness of the school's records and reports
- Ensuring that school generated funds are properly accounted for and safeguarded from loss
- Commenting on the extent to which funds raised are used efficiently, effectively, and for the purpose stated prior to the funds being raised.
- The review/audit should examine the most recent completed fiscal year. The financial reports for previous fiscal years may be used for comparative purposes.

### **Involvement of School Superintendent, School Principal, school staff, School Council, Student Council**

It is expected that the School Superintendent, School Principal, Vice-Principal(s) if any, other school staff, and representatives of the School Council and Student Council, where one exists, will be called upon at times to provide information and records and to clarify such information. It

is expected that full cooperation and access to school records will be given to the reviewer/auditor. The reviewer/auditor should take into account time pressures on school staff when making requests for records and should not unduly interfere with school operations.

### **Review**

The review/audit will consist of the following elements:

- A meeting with School Principal
- Follow-up meeting or correspondence with School Principal, school staff, School Council and Student Council representatives, as necessary
- Gathering of relevant records from the school, banking institutions, School Council, Student Council, and the board's Accounting and Budget departments, as necessary
- Examination of records
- Preparation of draft review/audit report and meeting or correspondence with the School Principal to discuss and review findings. The meeting or correspondence will give the reviewer/auditor the opportunity to informally discuss findings and to give the School Principal the opportunity to identify any errors or omissions in the draft report.
- Preparation of the final review/audit report incorporating any responses to recommendations from the School Principal.
- Follow-up Review and Reporting

### **Reporting**

Following completion of the review/audit, the final report could be submitted to the School Superintendent and the School Principal for action as required.

If significant findings are identified, the report should also be submitted to the board's senior business official.

The Internal Audit Department shall prepare a summary report of significant findings from the audits/reviews to the board's Audit committee on an annual basis, or as required.

### **The Review/Audit Process**

- Step 1 - Initial Meeting with the School Principal
- Step 2 - Access to Records
- Step 3 - Review of Records by Reviewer/Auditor
- Step 4 - Preparation of Draft Report
- Step 5 - Final Report
- Step 6 - Follow-up Review and Reporting

<b>Types of School Generated Funds Reviews And Audits</b>		<b>Conducted by</b>
<b>School Financial Audits</b>	Planned school audits are conducted as part of the TDSB annual audit plan. General findings are reported to the Audit Committee. These audits are conducted using a standard set of audit procedures designed for this purpose. Sample reviews of transactions and documents are conducted. Interviews are conducted with Principal and office budget staff. A formal report of findings and recommendations is provided to the Principal and Superintendent at the end of the audit.	TDSB Internal Audit Department
<b>School Process Reviews</b>	High level walkthrough of the school's financial processes and transactions. Interviews are conducted with the Principal and school budget staff. This type of review is ideal for new incoming or existing principals and office administrators who want to obtain a better understanding of their school's finances, and whether they are compliant with Board policies and procedures. Training will be provided to staff during the process. A written summary of findings and recommendations may be provided to the Principal and Superintendent at the end of the review.	TDSB Finance Department
<b>School Investigations</b>	These are conducted when there are suspicions or reported incidents of misappropriation of funds, policy non-compliance or other financial anomalies. In-depth review of the questionable transactions or financial anomalies will be conducted and the scope of the review could be up to 7 years, or more, if applicable.	TDSB Internal Audit Department

**Criteria for School Financial Audit Selection:**

- Significant budget and/or school generated funds financial activities.
- Significant budget and/or school generated funds surpluses or deficits.
- Reported incidents of thefts or losses.
- Have not been selected for an audit for over four years.
- Recent or pending turnover of principal or budget staff.
- Known financial issues based on information from staff, management or parent community.
- Questionable transactions based on review of semi-annual and year-end Public Sector Accounting Board (PSAB) reports.
- Special requests from Superintendents and Principals.

## **VII. CHARITABLE DONATIONS REQUIRING TAX RECEIPTS**

### **Background**

The Canadian tax system encourages taxpayers to support the activities of registered charities by allowing an income tax credit to be claimed by a donor. If the board is a registered charitable organization, it may issue receipts that may be used by a donor to claim an income tax credit.

### **Objective**

To outline:

- The types of donations that qualify for tax receipts
- The types of donations that do not qualify for tax receipts
- A process for issuing tax receipts

### **Definition**

A charitable donation for which a charitable donation receipt can be issued is a voluntary transfer of property or cash without valuable consideration (benefit of any kind) being received by the donor.

A donation is made when all three of the following conditions are met:

- a) Property or cash is transferred by a donor to the board
  - Cheques should be made payable to the board/ foundation and not payable directly to the school.
  - Note: Contribution of services (e.g. times, skills, effort) does not qualify.
  - 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, provided that it is returned voluntarily.
- b) The donation is voluntary.
- c) The donation is made without expectation of a return.
  - No valuable consideration (no benefit of any kind) to the donor or to anyone designated by the donor may result from the donation.
  - Donations made to the board can be subject to general direction (e.g. to the benefit of a specific school) but cannot be directed to the benefit of a specific individual.

### **Gifts in Kind**

A gift in kind is a donation other than cash. It does not include a gift of services.

Examples which would qualify are computer equipment, books, furniture, etc.

The date of donation 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 charitable donation receipt stating the fair market value of the donation once the object has been appraised.

For new items, the donation receipt will be for an amount equal to the original invoice amount less HST.

For used items, the amount of the donation receipt will be based on the appraised fair market value of the item.

Although fair market value is not defined in the Income Tax Act, the generally accepted meaning is the highest price, expressed in terms of money that the property would bring in an open and unrestricted market between a willing buyer and a willing seller. Both of whom are knowledgeable, informed, and prudent and who are acting independently of each other.

The person who determines the fair market value of the property must be independent of the transaction, competent and qualified to evaluate the particular property being transferred by way of a donation. They must also put their evaluation in writing.

Property of little value will not qualify as a “gift in kind”. Used clothing would be an example of a non-qualifying donation.

### **Inducements**

The general rule that no benefit of any kind may be made available to the donor in recognition of their contribution does not include items of little or no value. For example, the school may wish to give the donor a small token as a gesture of appreciation. These items (e.g. a single flower, a pamphlet, a plastic pin, tag, envelope seals) have no resale value, and accordingly, such inducements are to be ignored; they do not disqualify the donation.

### **Charitable Donation Receipts**

There are no regulations requiring the issuance of charitable donation receipts within a particular time frame; but it is suggested that they be issued at least by the last day of February following the calendar year when the donation was made.

The more important date is the date of the donation. Donations received after the end of the year may not be added to the prior year’s donations unless the donation was postmarked in the previous year. Charitable donation receipts issued will be mailed directly to the donor by the board office.

Charitable donation receipts will be issued for donations over \$25.

Submission of the completed “Request to Issue Tax Receipt Form” along with the monetary donation and/or independent appraisal will trigger the issuance of an official tax receipt from the board office.

Before indicating to a prospective donor that a tax receipt will be issued, the School Principal must contact the board office to assess whether the activity qualifies for a charitable donation receipt.

### **Online Donations and Crowdfunding**

The TDSB Online Donation Module allows all TDSB schools to collect and track online donations. Donors will receive tax receipts for donations over \$25. They can also reprint tax receipts from the site.

Link to the Online Donation Module:

<http://www.tdsb.schoolcashonline.com/Fee/Details/457/153/false/true>

Please note that the online donations module is intended for TDSB internal fundraising purposes only and funds collected via this method are not intended for redistribution to other external charitable organizations.

All schools are encouraged to use this site for online fundraising purposes and they should refrain from using other external crowdfunding or collection sites.

Donors will receive a copy of the donation receipt via email. The donation will be made in the name of the account holder.

The donations will be processed centrally through our TDSB General Accounting Department. Donation reports will be available through the Trust & Donations Administrators in the General Accounting department or the school’s Finance Support Officer. School administrators can also review their donations received through their school budget, under the XXXX0135 Donations cost center. Please note that it may take up to 14 business days from the date of the donation to when the donations are recorded in the XXXX0135 Donations cost center. A copy of the donation receipt is sent to the schools’ generic email address at the time the donor submits an online donation.

### **Affiliated or Associated Charities**

Schools, School Councils or other bodies affiliated with the school should neither have nor obtain Charitable Registration Status with Canada Revenue Agency.

## **VIII. LOTTERIES AND GAMES OF CHANCE**

### **Background**

Board policy may prohibit schools and School Councils from engaging in lotteries and games of chance.

Lotteries and games of chance are governed by the Criminal Code of Canada which permits licensing of these activities. They may include bingo events, raffles, 50/50 draw, break open tickets and social gaming events.

The Alcohol and Gaming Commission of Ontario is responsible for administering the lottery licensing program in Ontario. Municipalities issue licenses for the smaller lotteries and games of chance in which schools may be involved.

### **Objective**

To provide information for schools and School Councils so that they can readily comply with the rules and regulations of the Alcohol and Gaming Commission as they relate to lotteries and games of chance in which schools and School Councils may be involved.

### **Specifics**

#### **Application Process**

- Municipalities issue licenses for Bingo events with prize boards of up to \$5,500.
- Break open tickets for local organizations (Nevada tickets).
- Raffle lotteries for total prizes of \$50,000 and under.
- Bazaar lotteries which include - wheels of fortune with a maximum bet of \$2.00, raffles not exceeding \$500, and bingo events up to \$500.

If a school is involved in events that exceed these limits, they are required to obtain a license from the Alcohol and Gaming Commission of Ontario. This process is not covered in these instructions.

Detailed information about lotteries and games of chance including Nevada tickets can be obtained on the Internet at <http://agco.on.ca/>. Contact the local municipality, explain the type of activity contemplated and follow their instructions. The application should be prepared in the name of the school and signed by the School Principal. The application may take a few weeks to a month, so start the process as early as possible.



## **Banking**

All licenses require that a separate and distinct school bank account be used for revenue and expenses. A single account may be used for multiple licenses as long as the accounting system permits separate reporting for each license.

## **Reporting**

A condition of all licenses is reporting on the financial activity of the project. Detailed reporting requirements are outlined in the license. Prior to starting the project, ensure that the school's accounting system is able to provide the reports required. If the accounting system cannot generate the information, it will be necessary to set up a system that will provide the required information.

## **Audit**

All licenses provide for examination of the licensee's books and records by the licensing agent. Therefore, records should keep in such a way that an auditor would be able to find the required information easily.

## **Licensing**

The person who runs a lottery or game of chance without a license is subject to penalties under the Criminal Code of Canada.

Always check with the municipality before commencing one of these activities. If the person who responds says a license is not needed for a particular activity, document the call with details including the name of the person, the date of the conversation and details of the conversation.

## **IX. ENTERING INTO CONTRACTS**

### **Background**

Board Administration, in consultation with schools, will determine the extent to which schools can enter into individual school contracts. In many cases, board policy, procedures and guidelines will establish the parameters regarding the dollar amount and the duration of contracts into which schools may enter.

### **Objective**

- To define different types of contracts
- To outline why some contracts require closer scrutiny

### **Specifics**

#### **Corporate Sponsorship**

Boards may enter into corporate sponsorships in order to enhance the educational opportunities for an improved learning environment for students. Corporate sponsors exchange goods, money or services in return for advertising or other benefits.

This type of contract may either be done on a board wide basis or at the local school level. In most cases, schools will not have the authority to unilaterally enter into this type of contract.

Sponsorship agreements will vary in nature depending on the situation; however, all agreements must be in writing. Agreements should clearly outline the expectations, roles and responsibilities of both parties. Any contract or agreement should be forwarded to the TDSB's Business Development for review. They are to be signed by the Senior Business Official or designate.

Schools should refer to specific board policies/practices and particular attention should be paid to board purchasing policies, such as the P.021 Fundraising Policy and the PR508 Fundraising Procedures.

#### **Lease Agreements**

Lease agreements, by their nature, usually extend over multiple years. TDSB does not grant principals the authority to enter into a lease agreement for either goods or services since the commitment for future expenditure might exceed the principal's term at that particular school. Where lease agreements are being contemplated at the school level, the original agreement should be sent to the Senior Business Official or designate for review and approval.

## **Vending Machine and Cafeteria Contracts**

A steady and reliable source of revenue for many schools is derived from sales made through on site vending machines and cafeterias. TDSB has Board contracts for vending machines and Cafeteria services. Schools shall not enter into school level agreements for these types of services. All vending machine commissions received from vendors are recorded in the school budget.

## **Day-To-Day Contracts**

The agreement to purchase a good or service constitutes a contract. While it is true that in most cases schools do not enter into long term contracts, certainly on a day to day basis schools are within their rights to enter into contracts, such as prom event venue bookings. Even in these normal day-to- day contractual situations, schools are still required to follow board policies and procedures.

**The school should consult with the Purchasing Department to verify if there are any existing Board-level contracts that provide similar goods or services before entering into the contract.**

## **Long-term contracts**

When a school contract for a good or service spans an extended period of time or commits to a significant amount of money, School Principals must contact the board office to determine the appropriateness of such actions.

Contracts that are being contemplated may cover many areas of law and a poorly executed contract can cost the board in both dollars and time. Among other things, consideration should be given to the following:

- Insurance
- Safety standards
- Competitive bidding
- Criminal background checks
- Conflict of interest

## **X. SCHOOL COUNCILS**

### **Background**

Under the Education Act Regulation 612, school boards in Ontario are required to establish a School Council for each school within the board. These Councils provide input to the School Principal or the board on any matter. The School Principal is ultimately responsible for activities related to the school and therefore is also responsible for School Council activities. Many School Councils are active in fundraising activities in the name of the school and as such are required to conform to the appropriate sections of Regulation 612 to the Education Act that deal with fundraising issues.

### **Objective**

To clarify:

- Ownership of School Council funds
- Banking procedures
- Financial reporting requirements
- Record retention

### **Specifics**

#### **Ownership of School Council Funds**

The Ministry of Education's document, *School Councils: A Guide for Members* (2002), states "School Councils should be aware that, because the school board is a corporate entity and the school is not, any funds raised by the school council (and any assets purchased with those funds) belong, legally, to the board." Fundraising for schools by School Councils is collaboration between the school, the board and the fundraising group. The full document can be viewed at <http://www.edu.gov.on.ca/eng/general/elemsec/council>.

All fundraising activities and expenditures must be conducted in accordance with board policies, Ministry guidelines and municipal regulations. School Council activities must also align with the annual Plan for school generated funds, prepared by the School Principal. Particular attention needs to be paid to policies on procurement, conflicts of interest, fundraising and other similar policies. This is clearly stated in Regulation 612, section 22 to the Education Act.

#### **Banking Procedures**

**Signing officers on the School Council bank account, where a separate account exists, must include the School Principal and a member of the School Council.**

It is common practice to have the School Principal and at least two members of the School Council as bank signatories for signing of school council cheques.

The section in this manual dealing with Banking/Receipts/ Disbursements also applies to School Council accounts. For the security of the funds and to protect anyone handling money raised through School Council activities, all money needs to be counted and kept in the school for prompt deposit to the bank account.

Requests for disbursements from School Council funds must be accompanied by appropriate supporting documentation and approved by the School Principal.

### **Financial Reporting Requirements**

Information in the form of monthly summary reports outlining the sources and uses of the funds and the current financial position of the School Council should be provided by the school for fundraising activities.

The monthly summary report should be presented at the School Council meeting and the minutes should note that it was received and approved.

In some schools, separate groups such as a parent teacher association administer fundraising activities. These groups, as subcommittees of the School Council, must follow the same processes prescribed for School Councils.

The fiscal year for School Councils is August 1 to July 31 of the following year. Annual financial reports shall reflect the activities undertaken during this timeframe.

These reports will allow the Council to confirm that disbursements made coincide with previously approved disbursements.

Regulation 612, section 24, to the Education Act, School Councils states that: “every School Council shall annually submit a written report on its activities to the School Principal of the school and to the board”. It further states “If the School Council engages in fundraising activities, the annual report shall include a report on those activities.”

### **School Council Financial Reports**

Where a separate School Council bank account exists, financial reports should include:

- a) A Transactions Report (Bookkeeping Register) containing:
  - Opening Balance in records (should equal last month’s closing balance)
  - Deposits made during the month
  - Cheques issued or any other charges to the account during the period
  - Closing Balance in records (the following month opening balance)
- b) A Bank Reconciliation containing:
  - The bank balance on the bank statement
  - Plus outstanding deposits, including details of deposits
  - Less outstanding cheques, including a detailed listing of cheques

- The balance shown in the Treasurer’s records

### **Annual Report**

An annual school council financial report and supporting bank statements and financial records must be submitted to the Board by mid-September of each year. The report shall reflect all school council financial activities during the reporting year.

A template for the report is available on the Board’s School Council website.

### **Record Retention**

Regulation 612, section 16, to the Education Act, states that:

“(1) A School Council shall keep minutes of its meetings and records of all of its financial transactions.”

“(2) The minutes and records shall be available at the school for examination without charge by any person.”

“(3) Subsections (1) and (2) do not apply to minutes and records that are more than four years old.”

As a matter of consistency with other financial record retention requirements, all records are to be maintained on board premises for a period of seven years.

### **Note**

School Councils are reminded that Regulation 612 to the Education Act governs their activities, responsibilities and reporting requirements. School Principals should monitor School Council activities to ensure compliance with the Regulation or board policies and procedures.

## **XI. CHANGES IN SCHOOL PRINCIPAL AND ADMINISTRATIVE STAFF**

### **Background**

Changes in School Principals and administrative staff at schools may occur as part of regular school board operations and should not impact on the day-to-day administration of school generated funds.

### **Objectives**

- To ensure that when the School Principal or administrative staff changes, financial information is transferred.
- To ensure the bank is notified of any upcoming signatory changes prior to the staff's departure.

### **Specifics**

- The Change in School Principal and Administrative Staff Form are to be completed by the exiting School Principal and/or administrative staff and a copy of the completed form is to be forwarded to the School Superintendent or delegate immediately. Where possible, it should be reviewed with the incoming School Principal and/or administrative staff in person.
- The incoming School Principal and/or administrative staff, upon receipt of the completed document, are to verify its accuracy and forward the original to the School Superintendent or delegate. Any discrepancies should be clearly outlined.
- The School Principal should arrange for the signing authorities to be updated with the financial institution.
- It is strongly recommended that schools arrange to change safe combinations and/or passcodes whenever there is a change to School Principals and/or administrative staff. In addition, any keys required to access a safe or vault should be returned to the school upon transfer or retirement of that employee.
- School Principals and/or administrative staff should also advise the school board upon transfer or retirement so that access to electronic financial systems can be changed accordingly.
- The plan for school generated funds should be shared with the incoming School Principal to ensure they are aware of all commitments and upcoming fundraising activities within the school.
- New School Principals and/or administrative staff are responsible for ensuring they receive required training in their roles and financial responsibilities.

## **XII. CHART OF ACCOUNTS FOR PSAB MINISTRY REPORTING**

### **Background**

Public Sector accounting requires the inclusion of all School Generated Funds in school board financial statements. By categorizing various revenues and expenditures, the information becomes consistent across all schools and school boards and is therefore more relevant and useful.

### **Objectives**

- To provide a standard chart of accounts with broad revenue and expenditure categories that provide sufficient and appropriate information to schools, school councils, school boards and the Ministry of Education to report on and effectively manage School Generated Funds.
- To be broad enough that categorization is not onerous on schools while restrictive enough that it allows for reporting on a board-wide level to the Ministry and for internal review purposes.

### **Specifics**

- The School Generated Funds chart of account should provide for school-level detailed accounts to be grouped for summary level reporting.
- The highest level summarizes the information at the board level.
- The next level differentiates between the elementary and secondary panels.
- The third level differentiates among broad categories within each panel.
- Appendix A and B to this section provides standard categories for elementary and secondary revenues and expenditures.

Recognizing that each school records School Generated Funds transactions independently to meet their local needs; moving beyond these standard broad categories to a more detailed level may result in confusion and potentially more errors at the school level.

### **Chart of Accounts:**

#### **School Generated Funds Revenues**

School Generated Funds revenue is all money raised/received by students, staff, or the community from activities sanctioned by the school. All money collected is to be deposited intact to the bank account promptly.

Expenditures are not paid from the cash collected. The total funds are deposited to the bank and cheques are written to pay for expenditures.



## **School Generated Funds Revenues**

<b>Category</b>	<b>Definition</b>	<b>Examples</b>
External Charities	All money raised/received in support of an external charity. This charity would be registered with the Canada Revenue Agency.	Terry Fox, United Way, Share Life, Jump Rope for Heart, Heart & Stroke
School Council	All money raised/received by the School Council but not money for external charities.	hot lunches, milk, other fundraisers such as teacher wish lists, school trips, playground equipment
Student Council/Government	All money raised/received by the Student Council but not money for external charities.	graduation funds, dances, penny drives
Fundraising	All money raised/received for products sold or activities that are intended to generate profits for a specific purpose and should be recorded in a manner where revenues can be tracked separately.	magazines, wrapping paper, cheese, cookie dough, poinsettias, flowers, dance-a-thon, car wash, spirit day, book fairs
Capital Asset Fundraising	All money raised/received for activities that are intended to generate profits for a specific capital purpose and should be recorded in a manner where revenues can be tracked separately	magazines, wrapping paper, cheese, cookie dough, poinsettias, flowers, dance-a-thon, car wash, spirit day, book fairs
Field Trips/Excursions	All money raised/received to support the cost of excursions and field trips (including admissions, busing, and accommodations). Each event should be recorded in a manner where revenues can be tracked separately.	Science Centre, Pioneer Village, ROM, Wonderland, Ottawa trip, farm visit
Student Activities/Resources	All money raised/received relating to student activities/resources not categorized above. These may be recorded by department/club.	activities: agendas, yearbooks, locks, author presentations, special grants or community donations, nutrition programs, department/club: Music, French, Phys Ed, Drama
Banking	All money raised/received from investments or bank accounts	Interest
Other non-student Activities/Resources	All money raised/received that does not fit under the above categories.	commissions from pictures, vending machines, pay phone, HST rebate

## **School Generated Funds Expenditures**

Expenditures: All payments should be made by cheque.

<b>Category</b>	<b>Definition</b>	<b>Examples</b>
External Charities	All cheques written in support of external registered charities (100% of what is raised). Supporting documentation is the acknowledgement of receipt received from the charity.	Terry Fox, United Way, Share Life, Jump Rope for Heart, Heart & Stroke
School Council	All cheques written and transfers approved by the School Council.	hot lunches, milk, other fundraisers such as teacher wish lists, school trips
Student Council/Government	All cheques written and transfers approved by the Student Council.	graduation funds, dances, penny drives
Fundraising	All cheques written for costs associated with conducting the fundraising event. This does not include the cost of items purchased with the fundraising profits.  Separate accounts are required to record the cost of the items purchased with the fundraising profits.	magazines, wrapping paper, cheese, cookie dough, poinsettias, flowers, dance-a-thon, car wash, spirit day, book fairs
Capital Asset Fundraising	All cheques written for costs of the items purchased from conducting the fundraising event.	Playground and other outdoor structures, technology, classroom equipment
Field Trips/Excursions	All cheques written for costs associated with excursions and field trips including admissions and busing accommodations.  Expenses should be recorded in a manner where each trip can be tracked separately.	Science Centre, Pioneer Village, ROM, Wonderland, Ottawa trip, farm visit, Quebec Ski Trip, New York Band Trip, Europe Art Trip
Student Activities/Resources	All cheques written for costs associated with student activities/resources not categorized above. These maybe recorded by activity or by dept/club.	activities: agendas, yearbooks, locks, author presentations, breakfast and snack programs department/club: Music, French, Phys Ed, Drama
Banking	All costs associated with bank accounts.	service fees, interac charges
Other non-student Activities/Resources	All cheques written or funds transferred for costs associated with other expenses not included above.	Subsidies for students who are unable to pay for activities or resources, funds to supplement activities noted above, or general expenses for other school purposes outside of school budget funds

## **XIII. EXTERNAL CHARITIES**

### **Background**

An external charity is a charitable organization that is not related to the school board. Schools often collect money for external charities as a way to teach students about community responsibility. Examples of these charities: Terry Fox Foundation, Heart and Stroke Foundation.

There are occasions when a school may raise funds for a specific or unique community situation. An example of this could be a student whose home has burned down.

### **Objective**

To provide information and guidance:

- For raising and distributing funds to external charities
- About the types of external charities to which a school can contribute
- About the Canada Revenue Agency (CRA) guidelines for contributing to external charities
- About raising funds for specific or unique community situations

### **Specifics**

#### **Raising and distributing funds to external charities**

- The collection of funds for an external charity is a partnership between the school and the external charity. The partnership may be documented in writing which can be as simple as a letter of understanding between the school and the external charity. Please consult with the TDSB Business Development before entering into any partnerships with regards to fundraising.
- The external charity may provide the administrative processes for collecting the funds. In this case, the school should follow the directions from the external charity and request an accounting from the external charity of the total funds collected.
- Where the school provides the administrative process for collecting the funds, the procedures in this Guideline should be followed.
- All funds received must be paid directly to the charity within a reasonable time period but at least before the end of the school year in which it is raised.
- All payments to external charities must be paid on school cheques and be issued in the charity's name. Cheques should not be issued to an individual or to a financial institution for the purchase of a money order.
- If the school receives a tax receipt or other receipt from the external charity, this should be filed with the payment documentation in the school's records.

### **Types of charities allowed by the CRA**

- Funds shall only be raised for charitable organizations that are “eligible” charities as determined by the CRA. These are usually registered Canadian charities/foundations but may be charities/foundations in other countries. The CRA has verified the legitimacy of the foreign charities/foundations that are on their list.
- A list of these charities can be found on the CRA website. <http://www.cra-arc.gc.ca/charities/>
- If a school wants to contribute to an organization such as an orphanage or school in a foreign country which is not an “eligible” charity, they should find an “eligible” charitable organization that supports that organization and give the funds to that “eligible” charity.

### **Specific or unique community situations**

- Usually these situations arise after the School Fundraising Plan has been established at the beginning of the school year. Community agreement should be obtained through consultation with the School Council and documented in the minutes, even if after fact when an immediate situation arises.
- The revenue and expenses of the fundraiser(s) shall flow through the school generated funds bank account.
- The full net proceeds of the related fundraiser(s) shall be applied to the community situation.
- Evidence should be retained to support that the proceeds were paid to the appropriate beneficiary or party.

Contributions to other than “eligible” charities may jeopardize the charitable status of the school board.

Schools should also be sensitive to charities they are fundraising for, that are ineligible such as for political activities, groups or candidates or other interest groups.

## **Related Documents and Links**

Ministry Fees and Learning Materials and Activities Guideline

<http://www.edu.gov.on.ca/eng/parents/feesguideline.pdf>

Ministry Fundraising Guideline

<http://www.edu.gov.on.ca/eng/parents/fundraisingguideline.pdf>

School Food and Beverage Policy (Ministry of Education)

<http://www.edu.gov.on.ca/extra/eng/ppm/150.html>

Canada Revenue Agency – Verification of Registered Charities

<http://www.cra-arc.gc.ca/chrts-gvng/lstngs/menu-eng.html>

Ontario Federation of Home and School Associations

<http://www.ofhsa.on.ca>

Canadian Home and School Federation

<http://www.canadianhomeandschool.com/CHSF/Welcome.html>

Alcohol and Gaming Commission of Ontario (AGCO)

<http://www.agco.on.ca/en/home/index.aspx>

School Councils

<http://www.edu.gov.on.ca/eng/general/elemsec/council/>

Broad Public Sector Expenses Directive

<https://www.ontario.ca/government/broader-public-sector-expenses-directive>

Ontario Association of School Board Officials (OASBO)

<https://www.oasbo.org/home/index/>

Education Act

[http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90e02\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90e02_e.htm)