Accounting Requirements for School Trust Funds

Updated: June 14, 2021

The following procedures have been prepared by the Board Office Finance Department. They are intended to provide clear procedure guidelines for all Schools and to assist with improved accounting of School Trust Funds district wide.

Contents

1. Filing

- School Trust Fund records must be filed systematically, and separately from District Account records.

2. Accounting Software

- All funds at each school must be accounted for using eFunds software. Any other accounting software is prohibited. *For further eFunds instructions, see the "eFunds User Guide" posted to the Clerical Manual.*

3. Bank Reconciliation Packages

- **Filing:** File bank reconciliation packages separately and chronologically

- **Bank Reconciliation Package:** Submit the following package to the Board Office monthly. *The "Bank Reconciliation Schedule" is posted to the Clerical Manual.*

  o Bank Reconciliation Report initialed by the Principal. **The Principal's initials on the front of the bank reconciliation package evidences approval of the entire package.**

  o Bank Statement with cleared cheque copies

    ▪ If the school has savings/investment accounts, attach the monthly bank statements for these as well. Bank savings/investment accounts should be updated with a journal entry to record any interest or charges during the month.

  o GL Summary by Account type, Account, Department

    ▪ The bank account, savings account, and investment account balances on this report must match the bank statement ending balances

  o Journal Entry Listing

  o Outstanding cheque listing (if any)

  o Outstanding deposits listing (if any)

  o Cleared cheques listing (if any)

  o Cleared deposit listing (if any)

  o Void cheque listing for voided/spoiled/stale dated cheques voided during the month (if any). A written list is sufficient (eFunds does not provide a list).

4. Receipts

- **Funds on site:** Access to funds on site must be restricted to signing officers.

- **Filing:** File receipts and support documentation in numerical order, either (1) filed separately or (2) attached to bank deposit slips:

  o File eFunds receipts.

  o If a receipt was entered & deleted, file the deleted receipt in sequence, with a written note explaining why it was deleted.

  o Attach receipt support documentation (if any), for example:

▪ Copy of cheque received if feasible (endorse cheques received immediately – use a stamp instructing the bank to deposit to the School's transit and account number)

▪ POS receipt for Clover, Online transaction receipt for Bambora. *For further instructions, see "Recording Electronic Payments" posted to the Clerical Manual.*

▪ Grant letters, donation letters, school invoices to third parties

▪ Cash count sheet (for lump sums). *The "Cash Count Sheet" is posted to the Clerical Manual.*

▪ Class list with a tally that agrees to the receipt (for lump sums)

- **Timing:** Receipts should be recorded in eFunds immediately if possible, otherwise within 1 week of receipt. Do not wait to receipt funds until a fundraiser or event is completed. In instances when unable to enter in eFunds immediately, the following can be done to manage receipts:

  o Student List: check off students that have paid a certain fee, tally at end of day, reconcile to funds received, OR, Secondary Schools: students complete a manual receipt with 2 copies (1 copy for student, 1 copy for school). Secretary signs the receipt to confirm it matches the amount received.

- **Entering receipts:**

  o Enter 1 receipt per cheque or cash received.

  o Enter to the most appropriate revenue category. *For further instructions, see the "Revenue Categories" document posted to the Clerical Manual.*

  o Receipt to the individual that submitted the funds (e.g. parent, student, staff member, organization)

  o Attach each receipt to a student as applicable.

  o Ensure receipt support documentation is maintained as available (examples above).

  o Exception for lump sum receipts:

    ▪ Lump sum receipts are acceptable for small funds ($10 cost per student or less) that are non-curricular fees (e.g. hot lunch, swimming)

    ▪ Receipt to the individual that submitted the funds (e.g. staff member). Receipt must be entered to an individual, as this person is accountable for the funds submitted.

    ▪ Back-up is required that agrees to the lump sum receipt, for example:

      • Class list: check off students that have paid and a tally the cost x students

      • Cash count sheet: use when staff/students/parents collecting and submitting lump sum funds (e.g. student activity, fundraising, cafeteria), signed by the individual submitting the funds.

5. Deposits

- **Filing:** File deposits separately and in numerical order

  o File eFunds deposit slip on top

  o Attach deposit details listing (includes receipt numbers for cash receipts). *For further instructions, see the "Deposit Listing Instructions" posted to the Clerical Manual.*

- o Attach eFunds receipts and receipt support documentation, unless filed separately (see "Receipts" section).

- **Timing:** Cash and cheque receipts should be deposited to the bank at least monthly. Recommend more frequently during high volume periods (e.g. school fees collected in September).

- **First Data:**
  - o Prepare separate deposit slips for Bambora (online), attach the Bambora report for the month that reconciles to the deposit, and a copy of the bank account transactions with all Bambora deposits highlighted that reconciles to the deposit. Implement the same procedure for Clover (POS).
  - o *For further instructions, see "Recording Electronic Payments" posted to the Clerical Manual.*

6. Cheques

- **Filing:** File cheques & support documentation separately and systematically (e.g. numerically). Void or spoiled cheques filed either separately or in numerical order with cheques issued.
  - o File full cheque copy including description portion and signatures (send full original to payee). After cheques are cleared in eFunds, a copy can no longer be printed.
  - o Attach payment support documentation, for example:
    - ▪ Invoice, Receipts
    - ▪ Payment Request Form: use for staff reimbursements with receipts attached, and other instances where an invoice is not available. (*"Payment Request Form" is posted to the Clerical Manual*)
    - ▪ For student refunds, attach a copy of the original eFunds receipt. *For further instructions, see the "Student Fee Refunds Instructions" posted to the Clerical Manual.*
  - o **Payment support documentation must be initialed by the Principal or Vice-Principal**, to evidence approval of the payments.
  - o For all payments to T4A Service Providers, send a copy to the District Finance Department. *For further instructions, see the "T4A Guidelines" posted to the Clerical Manual.*

- **Signing authorities:** Each cheque issued requires 2 signatures, 1 of which must be the Principal or Vice-Principal. A copy of current signing authority documentation must be available at the School.

- **Void or Spoiled Cheques:** File either separately or in numerical order with cheques issued.
  - o Signature portions of the void cheque removed and destroyed before filing.

- **Stale Dated Cheques:** Banks may still accept stale dated cheques (older than 6 months)
  - o SD8 recommends voiding staled dated cheques in eFunds that are greater than 1 year outstanding, if you have not been able to contact the payee.
  - o Include a list of stale dated cheques that were voided in the bank reconciliation package for the month in which they were voided (a written list is sufficient).

7. Journal Entries

- **Purpose:** Use journal entries to record a new entry (e.g. bank interest) or to move a specific entry (e.g. receipt or cheque) to another account.

- **Filing:** File journal entries separately and in numerical order

    o   File journal entry print out from eFunds on top

    o   Attach journal entry support documentation and clearly indicate why the journal entry is being entered (e.g. copy of invoice being moved, copy of receipt being moved, GL detail report highlighting the line item that is being moved)

- **Entering:** In the "Description" field, include relevant dates or transactions numbers, cross-referencing any other numbers when appropriate (e.g. if cancelling a prior Journal Entry, include the JE number)

    o   *For further instructions, see the "Journal Entry Instructions" posted to the Clerical Manual.*

- **Approval:** The Principal's initials on the monthly bank reconciliation package evidences approval of the entire package, which includes the journal entry listing

8. Department Transfers

- **Purpose:** Use department transfers to simply transfer funds/surplus to another department.

- **Filing:** File department transfers separately and in numerical order

    o   File Department Transfer printout from eFunds on top

    o   Attach department transfer request form, initialed by the Principal ("*Department Transfer Request Form" is posted to the Clerical Manual*)

- **Entering:** *For further instructions, see the "Department Transfer Instructions" posted to the Clerical Manual.*

9. School Trust Account Audits

- **Purpose:** Internal audits of School Trust Accounts are performed by the District Finance Department to review compliance with the Accounting Requirements for School Trust Funds and provide recommendations for improvement.

- **Timing:** At a minimum, schools are audited as follows:

    o   Secondary Schools are audited annually

    o   Elementary schools are audited every three years

- **Audit Procedures:** *The "School Trust Audit Procedures" performed by the District Finance Department are posted to the Clerical Manual.*