

SCHOOL BASED FUNDS HANDBOOK



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ABOUT THIS HANDBOOK

Purpose and Audience

This handbook describes how to manage school-based funds to ensure that your school meets the legal and accounting requirements of the Halifax Regional School Board (HRSB), the Nova Scotia Department of Education, and the Canada Revenue Agency (CRA).

This handbook is intended for principals, vice-principals, principal designates, and school office staff, as well as fundraising volunteers and student councils.

There are three parts:

- The **POLICY** in Part One contains the complete text of the board policy on school-based funds (“Accounting for School-Based Funds”, approved May 31, 2006).
- The **PROCEDURES** in Part Two contain instructions to help you implement the board’s policy. The procedures describe how to manage your school-based funds, including how to record, report, and review information about the funds. Where appropriate, the procedures refer to specific sections in the policy.
- The **APPENDICES** in Part Three provide additional resources, including sample forms and contact information.

Implementation of this policy will be monitored by the Financial Services Department, in conjunction with the Board’s auditors with appropriate action taken where non-compliance is observed.

Using this Handbook

The procedures are designed to be as simple as possible, while still ensuring that schools remain accountable for the funds they handle.

It is important to read the whole handbook in order to understand how all the parts support the whole. Do not read one section in isolation from the others.

This handbook replaces the document, *Accounting for School Based Funds: Procedures*, revised February 26, 2002. All board policies and procedures are reviewed periodically and revised as needed. To ensure that you have a current copy of the policy and procedures for school-based funds, go to the HRSB website at www.hrsb.ns.ca/boardservices/rpp/policy/manual.

Definition of School-Based Funds

School-based funds are defined as all funds available to or managed by 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.

Acknowledgements

This handbook was developed by the Financial Services Department of the Halifax Regional School Board, in cooperation with the School Administration Department. These departments would like to thank the following organizations for sharing their work on school-based funding:

- Ontario Association of School Business Officials (OASBO) Financial Committee
- Ottawa-Carleton District School Board.

PART ONE: POLICY

Following is the complete text of the board policy on “Accounting for School-Based Funds”. The policy was approved by the board on May 31, 2006. It replaces the version that was approved on November 28, 2000.

Note: This policy has its own numbering system, which does not relate to the numbering of the chapters in the rest of the handbook.

1. Rationale

The Halifax Regional School Board is accountable to its students, parents, community members, and partners, and to the Nova Scotia Department of Education, for the effective management of school-based funds.

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.

Further, because each school within the Halifax Regional School Board is a 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.

2. 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, parent–teacher associations or organizations), including:

- 2.1 Funds raised through contracts and service agreements
- 2.2 School-based fees for services, athletics, student agendas, etc.
- 2.3 School-based fundraising for charities and/or specific events or initiatives
- 2.4 Funds donated to schools.

The policy does not apply to other operating activities or practices of Staff-Parent Groups

3. Use of School-Based Funds

- 3.1 There are two types of school-based funds: general purpose funds and funds raised for a specific purpose.
 - 3.1.1 *General Purpose Funds* - Funds raised for a general purpose through contracts, fees and/or fund-raising activities, with no specific intent, must be used for school-related activities, as approved by the school principal.
 - 3.1.2 *Funds Raised for a Specific Purpose*

- 3.1.2.1 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 be advised of 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.
 - 3.1.2.2 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.
- 3.2 Unacceptable uses of school-based funds include:
- 3.2.1 Mileage and travel reimbursements to employees. These must be processed through the board's Payroll Office.
 - 3.2.2 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 tax slip.
 - 3.2.3 Payments for items tendered through the board's Procurement Office. These must be bought with a Purchase Order and not processed through the school bank account.
 - 3.2.4 Personal items or other non-school-related expenditures, including donations to third party organizations for non-education related purposes.

4. Roles and Responsibilities

4.1 Financial Services

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

- 4.1.1 Develop and update the Halifax Regional School Board's *School-Based Funds Handbook*.
- 4.1.2 Provide periodic professional development to school staff to ensure effective implementation of this policy and associated procedures.
- 4.1.3 Follow up on audit reports of school-based funds that may be completed from time to time.

- 4.1.4 Receive and maintain a central file of annual financial reports from each school.
- 4.1.5 Ensure that schools have appropriate accounting software and/or technology for administering school-based funds.
- 4.1.6 Authorize the number and purpose of bank accounts that can be maintained for each school.
- 4.1.7 Prepare an annual report of school-based funds for the board.

4.2 School Administration

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

- 4.2.1 Monitor implementation of this policy and associated procedures as defined in the board's *School-Based Funds Handbook*.
- 4.2.2 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.

4.3 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:

- 4.3.1 Ensure that effective accounting procedures, practices, and internal controls are implemented in accordance with the board's *School-Based Funds Handbook*.
- 4.3.2 Submit an annual financial report for the fiscal year ending March 31 to Financial Services not later than April 21 of each school year.
- 4.3.3 Designate a staff person or persons to be responsible for receipts, disbursements, banking, and record-keeping.
- 4.3.4 Approve any new bank account.
- 4.3.5 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:
 - 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.

- All bank accounts have a minimum of two and maximum of four authorized signing officers, one of whom must be the principal.
 - Cheques are never pre-signed.
 - Any transaction over \$25,000, with the exception of school trips, is processed through Financial Services and not a school's bank account.
 - Any disbursement requiring a T4 tax slip is processed through the board's Payroll Office.
- 4.3.6 Communicate responsibilities to staff members and others who collect funds in the school's name (e.g., parent-teacher associations or organizations).
- 4.3.7 Ensure that a primary staff member is designated as the contact person for each group, club or class involved with financial transactions.
- 4.3.8 Review accounting records at least monthly.
- 4.3.9 If funds are lost or stolen, immediately notify the School Administration Supervisor, who will notify the Manager of Regional Accounting Services.
- 4.3.10 Ensure that the school or any individual associated with the school does not enter into long-term contracts in the name of the school or the board without first consulting with the board's Procurement Department.
- 4.3.11 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.

4.4 Designated Staff Person or Persons

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

- 4.4.1 Implement the procedures in the board's *School-Based Funds Handbook*, as directed by the principal.
- 4.4.2 Act as one of the approved signing officers on the school bank account(s).
- 4.4.3 Count and verify funds received for deposit, and issue receipts to the individual(s) remitting the funds.
- 4.4.4 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.
- 4.4.5 Issue cheques and ensure that all requests for payments are properly supported and approved by the principal, normally before cheques are prepared.

- 4.4.6 Record transactions in the accounting system on a regular basis (no less than weekly).
- 4.4.7 Complete the monthly bank reconciliation (within 21 days of the end of the month).
- 4.4.8 Complete the monthly file and give it to the principal for review.
- 4.4.9 Prepare transaction reports as required.
- 4.4.10 Advise the principal of deviations from procedures defined in the *School-Based Funds Handbook*.
- 4.4.11 Prepare the annual financial report and submit it to the principal for approval.
- 4.4.12 Assist during any audit by providing information and supporting documentation as required.
- 4.4.13 Notify the principal of any financial irregularities (i.e., lost or stolen funds, misuse of funds) at the school.

4.5 *School-Based Staff*

School-based staff, other than those designated by the principal in section 4.4, have these responsibilities:

- 4.5.1 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 Handbook*.
- 4.5.2 Ensure that fundraising activities involving students and/or the school are in compliance with board policies and approved by the principal.
- 4.5.3 Ensure that funds received are used for the purposes for which they were raised or collected.
- 4.5.4 Ensure that the details of any financial activity related to their class or club are recorded completely and accurately.
- 4.5.5 Request and review transaction reports on a regular basis, and advise the designated individual of any discrepancies.

4.6 *Staff-Parent Groups*

- 4.6.1 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.
- 4.6.2 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-12) to the Director, Financial Services for approval on an annual basis.

- 4.6.3 Any group that raises funds in the name of the school with the exception of those approved under section 4.6.2 has these responsibilities:
- 4.6.3.1 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 Handbook*.
 - 4.6.3.2 Ensure that fundraising activities involving students and/or the school comply with board policies and are approved by the principal or vice-principal.
 - 4.6.3.3 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 may belong to the principal or vice-principal.
 - 4.6.3.4 Submit and/or work with school staff to submit monthly files and financial reports to the principal or vice-principal according to the procedures in the board's *School-Based Funds Handbook*. If monthly files and financial reports are prepared by the schools' designated staff person, a monthly report will be generated for distribution to the Staff-Parent Group executive.
 - 4.6.3.5 Submit and/or work with school staff to submit an annual financial report for the fiscal year ending March 31.

4.7 External Bookkeepers

- 4.7.1 An external bookkeeper may be engaged by a school to help with the following functions only:
 - entering data into the accounting software package
 - completing bank reconciliations
 - generating reports.
- 4.7.2 There must be a contract for external bookkeeping and it must be approved by the Financial Services Department before the services commence.
- 4.7.3 The contract must state that the accounting records are always the property of the school and not the external bookkeeper. The external bookkeeper must provide the school with an electronic backup of the data on a monthly basis.
- 4.7.4 The contract must state that the external bookkeeper will not have signing authority on any of the school's bank accounts.

5. Audit

- 5.1 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 Handbook*.
- 5.2 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.

PART TWO: PROCEDURES

Chapter 1. Sources and Uses of School-Based Funds

The board policy provides a broad overview of the acceptable sources and uses of school-based funds. This chapter expands on sections 2 and 3 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. *[The numbers in square brackets refer to section numbers in the policy.]*

- **Funds raised through contracts and service agreements [2.1].** Where approved by the board, schools may raise funds from activities and agreements involving cafeteria services, vending machines, coffee 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 Appendix A).
- **School-based fees for services, athletics, student agendas, etc. [2.2].** Generally 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 activity 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 [2.3].** 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 [2.4].** 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 categories that schools must use to record inflows and outflows of school-based funds. The accounting records must track each of these categories separately for both revenue and expenses. Schools may add subcategories if they wish, but should include the following at a minimum:

- Athletics (fees, uniform deposit or replacement, gate receipts)
- Awards (scholarships and bursaries)
- Band (fees, travel expenses, uniforms)
- Breakfast Fund (donations)
- Class Trips (recovery of expense)
- Cafeteria/Food Services (milk, hot lunch, cafeteria receipts, cafeteria commission)
- Donations (money given to a school)
- Graduation (prom, Safe Grad fees)
- Grants
- Library (money used for books or library resources)
- Parent Groups (donations from parent associations)
- Program Resources/Activities (instructional expenses that are not covered within board-allocated funds)
- Student Activities (yearbook, newspaper, student council)
- Student Fees (locker, agendas)
- Lunch Supervision Proceeds
- Lunch Program Fees (not including employee wages, which must be paid through Payroll).

Acceptable and Unacceptable Uses of Funds

All purchases made using school-based funds must comply with the board policy and the procedures in this handbook.

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 board policy, section 3.2: mileage and travel reimbursement to employees, monetary

payments to employees for services, payments for items tendered through the board's Procurement office and personal items 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 or 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.

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 (expense 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 B-1, Cash Transmittal Envelope and B-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 staff must follow these requirements for receiving, counting, and depositing money (see the policy, section 4.4):

- 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 two individuals and give a receipt to the individual or group who submitted the money.
- Complete a Daily Cash Log (see Appendix B-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.
- Record all expenditures and pay them promptly.
- 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.)
- Consider using a payment request form (such as the one in Appendix B-4) to capture all the relevant information, including the principal's approval.
- Before payment, ensure that the principal signs the documentation 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 documentation, 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 Appendix A, Purchasing Policy.)
- Except for school trips, do not use a school's bank account for any individual transaction over \$25,000.
- 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 Procurement or Accounts Payable 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 Payroll Office and reimbursed at the board office. (See the policy for school-based funds, section 3.2.2.)
- 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 B-5.)

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 Quicken as the standard computerized accounting system to be used by schools. This is the software that is supported by the Board.

Using Quicken reduces the effort and time required to keep an accurate set of books. However, 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:
 - date deposited
 - amount collected
 - purpose of funds (Quicken 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 (memo field)

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 3, “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.
- Stale-date any cheques that are not cashed within six months, and reverse these in your records. (*Note:* Do not delete any records from your Accounting package. Instead, reverse the cheque by inserting a reverse entry in Quicken – a deposit – dated in the month being reconciled. This method ensures that the balance printed on prior month reports will still correspond to the Quicken balance.)
- 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 certain 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 withdrawals or payments. Compare those to the items recorded on the current bank statement. In the accounting records, mark off all deposits and withdrawals that appear on the bank statement. Generate a list of all deposits and withdrawals for the month that are still outstanding, once you have cleared the current items. (Most accounting packages 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 withdrawals 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. _____

Quicken will automate this process for you and provide you with a reconciliation report (see Figure 3-1). Print this report and include it in the monthly file for the account. In Quicken, always print the **cleared** and **uncleared** transactions as part of the reconciliation report.

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

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

Wednesday April 19, 2006		
ABC School - All Accounts		
Bank Reconciliation ABC School March 31 2006		
Reconcile Balance as of March 31 2006		
<i>Bank Statement - Cleared Transactions</i>		
Previous Balance:		1,000.00
Checks and Payments	11 Items	-3,862.56
Deposits and Other Credits	8 Items	5,675.00
Ending Balance of Bank Statement		<u>2,812.44</u>
<i>Your Records - Unreconciled Transactions</i>		
<i>Cleared Balance:</i>		2,812.44
Checks and Payments	2 Items	-137.44
Deposits and Other Credits	1 Items	325.00
Register Balance as of 3/31/2006		<u>3,000.00</u>
Checks and Payments	0 Items	0.00
Deposits and Other Credits	0 Items	0.00
Register Ending Balance		<u><u>3,000.00</u></u>

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 on 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:

- a monthly financial statement (see Figure 4-1)
- a cash flow report (see Figure 4-2)
- a transaction report (see Figure 4-3)
- a bank reconciliation report (see Figures 9-3A to 9-3D in Chapter 9)

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

Completing the Monthly Financial Statement

The purpose of the monthly financial statement is to show that the cash flow report balances with the opening and ending register balance. To complete the statement:

1. Prepare a cash flow report for the month (see Figure 4-2).
2. On a monthly financial statement, such as the sample in Figure 4-1:
 - A. Enter the Opening Balance (the closing balance from the previous month).
 - B. Enter Cash Received during the month (Total Inflows from the Cash Flow Report).
Add A + B and enter this in Total Cash Available.
 - C. Enter Disbursements for the month (Total Outflows from the Cash Flow Report).
 - D. Subtract Disbursements from Total Cash Available and enter this as the Ending Cash Balance. Compare this amount to the register ending balance for the month. (They should be the same.) If they are different, review the transactions for the current month. Verify that all items have been entered with the proper date. This statement should be generated after the bank reconciliation has been completed.
3. File in your monthly file. (See “Monthly File Management”, later in this chapter.)

Figure 4-1. Monthly Financial Statement

Monthly Financial Statement		
School Name	<u>Any School</u>	
For the month of	<u>December 2004</u>	
A.	Opening Balance (previous month closing balance from Quicken)	<u>4,585.05</u>
B.	Cash Received (total inflows from Cash Flow Report)	<u>4,764.00</u>
	Total Cash Available (A + B)	<u>9,349.05</u>
C.	Disbursements (total outflows from Cash Flow Report)	<u>3,775.58</u>
D.	Ending Cash Balance (compare to month end Quicken balance)	<u>5,573.47</u>

Figure 4-2. Cash Flow Report (using Quicken)

Cash Flow	
12/1/04 Through 12/31/04	
Category Description	12/01/04 - 12/31/04
INFLOWS	
Class Trip Income	605.00
Fundraiser Income	1955.00
Hot Lunch Income	904.00
Milk Income	1300.00
TOTAL INFLOWS	4764.00
OUTFLOWS	
Class Trip	1110.52
Classroom Supplies	618.06
Family Studies Expenses	376.13
Hot Lunch Expense	670.01
HST Rebate	83.31
HST Rebate Books	3.15
TOTAL HST Rebate	86.46
Milk Expense	245.00
Office Supplies	669.40
TOTAL OUTFLOWS	3775.58
OVERALL TOTAL	988.42

Transaction Report

The transaction report (also called a register report) lists each transaction that has been recorded in Quicken for the month, including the amount, date, cheque number and vendor information, category charged, and memo details. See the sample in Figure 4-3. This report becomes a record of posted transactions and can be very helpful in identifying changes to transactions if the opening balance in one month does not match the closing balance in the previous month. Include this report in the monthly file.

Figure 4-3. Transaction Report / Register Report (using Quicken)

Transaction Report 12/1/04 Through 12/31/04						
Date	Account Num	Description	Memo	Category	Amount	
		Balance 11/30/04			4,585.05	
12/1/2004	General 123	Farmers Dairy		Milk Expense	-245.00	
12/1/2004	General S	Deposit		---Split---	1,955.00	
12/2/2004	General 124	Staples	Ink Cartridges for office	Office Supplies Expense	-369.00	
12/3/2004	General 125	Mr. P. Jones	Agenda Books	Classroom Supplies Expen	-618.06	
12/5/2004	General 126	Ross Farm	Mrs. Smith Class Trip	Class Trip Expense	-610.52	
12/8/2004	General 127	Superstore	Hot Lunch Expense	Hot Lunch Expense	-670.01	
12/9/2004	General S	Deposit		---Split---	605.00	
12/10/2004	General	Deposit	Hot Lunch 6B	Hot Lunch Income	904.00	
12/15/2004	General 128 S	John Jones	Supplies 5J	---Split---	-386.86	
12/20/2004	General 129	Stock Transportation	Bus for Mrs. Smith	Class Trip Expense	-500.00	
12/20/2004	General 130	Atlantic Fabrics	Supplies 6K	Family Studies Expense	-376.13	
12/20/2004	General S	Deposit		Milk Income	1,300.00	
		Total 12/1/04 - 12/31/04			988.42	
		Balance 12/31/04			5,573.47	
		Total Inflows			4,764.00	
		Total Outflows			-3,775.58	
		Net Total			988.42	

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.) Quicken automates this process for you and produces a bank reconciliation report (shown 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 with the designated staff person(s) or the bank.

Itemized 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. Most accounting systems allow you to generate itemized category reports, such as the sample in Figure 4-4. If you need help to prepare any additional reports, contact Regional Accounting Services.

In addition to the transaction report, an itemized category report will provide you with the detailed transactions, but sort and subtotal by category, rather than simply list in date order. For split transactions (transactions that are coded to more than one category) you do not see the individual categories that were used as part of the split in a transaction report (see Figure 4-3). The split will be broken down by category if you print an itemized category report for the month.

Figure 4-4. Itemized Categories Report (using Quicken)

Itemized Categories 12/1/04 Through 12/31/04							
Cat/Sub	Date	Account	Num	Description	Memo	Clr	Amount
INCOME							
Class Trip Income							
	12/1/2004	General Account	S	Deposit	Mr Jones 6J		255.00
	12/9/2004	General Account	S	Deposit	Mr Smith 3S		350.00
TOTAL Class Trip Income							605.00
Fundraiser Income							
	12/1/2004	General Account	S	Deposit	Auction		1700.00
	12/9/2004	General Account	S	Deposit	Entertainment Books		255.00
TOTAL Fundraiser Income							1955.00
Hot Lunch Income							
	12/10/2004	General Account		Deposit	Hot Lunch 6B		904.00
Total Hot Lunch Income							904.00
Milk Income							
	12/20/2004	General Account		Deposit	Milk Income		1300.00
Total Hot Lunch Income							1300.00
TOTAL INCOME							4764.00
EXPENSES							
Class Trip Expense							
	12/5/2004	General Account	126	Ross Farm	Mrs. Smith Class Trip		-610.52
	12/20/2004	General Account	129	Stock Transportation Ltd	Bus for Mrs. Smith		-500.00
TOTAL Class Trip							-1110.52
Classroom Supplies Expense							
	12/3/2004	General Account	125	Mr P. Jones	Agenda Books		-618.06
TOTAL Classroom Supplies Expense							-618.06
Family Studies Expense							
	12/20/2004	General Account	130	Atlantic Fabrics	Supplies for 6K		-376.13
TOTAL Family Studies Expense							-376.13
Hot Lunch Expense							
	12/10/2004	General Account	127	Superstore	Hot Lunch Expense		-670.01
TOTAL Hot Lunch Expense							-670.01
HST Rebate							
	12/15/2004	General Account	128	John Jones	Supplies 5J		-83.31
	12/15/2004	General Account	128	John Jones	Supplies 5J		-3.15
							-86.46
Milk Expense							
	12/1/2004	General Account	123	Farmers Dairy			-245.00
Total Milk Expense							-245.00
Office Supplies							
	12/2/2004	General Account	124	Staples	Ink cartridges for office		-369.00
	12/15/2004	General Account	128	John Jones	Supplies 5J		-300.40
TOTAL Office Supplies							-669.40
TOTAL EXPENSES							-3775.58
OVERALL TOTAL							988.42

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 9-3D), reviewed and signed by the principal
- monthly bank statement with cancelled cheques
- deposit slips and backup (such as the daily cash log in Appendix B-3, and the cash transmittal forms in Appendices B-1 and B-2), sorted in order by date
- cheque stubs and backup (including invoices and approved payment request forms such as the sample in Appendix B-4), sorted in order by cheque number (VOID cheques must be included here).
- cash flow report for the month and year to-date (Figure 4-2), reviewed and signed by the principal (this report should be run after the monthly bank reconciliation has been completed).
- monthly transaction report (Figure 4-3)
- monthly reports submitted by parent-staff groups
- copy of the HST return, if filed during the month (Do not keep a separate file for HST.) (See Chapter 5, Harmonized Sales Tax)
- monthly financial statement (Figure 4-1)

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.
- Do monthly backups and store them onsite for the full year. This is necessary for all school-based accounts, even for schools that use an external bookkeeper.
- Ensure that a good backup system or file is in place and that it has been secured and tested. A backup of the whole year should be done after the March 31 reconciliation, and it should be stored with the year-end files.

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 the broadest 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 6%, effective July 1, 2006)
- 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 Quicken to run a transaction report that itemizes the school's HST payments. Figure 5-2 shows a sample report. In this sample, the HST is being tracked in the memo field. There are other ways of recording HST in Quicken, such as setting up an "HST paid" category and recording all HST paid as part of split transactions.
2. Complete an HST summary form, such as the one in Figure 5-3. This form 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.ns.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 form that goes to CRA is the form in Figure 5-4, described in step 3.
3. Complete an "Application for GST/HST Public Service Bodies' Rebate". (See Figure 5-4 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 original to CRA. **Do not** attach supporting documentation to the application form that you send to CRA.
4. File the school copy of the application form, along with the transaction report and the HST summary form, in the monthly file for the month corresponding to the period end date. 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 (using Quicken)

Transaction Report 12/1/04 Through 12/31/04						
Date	Account	Num	Description	Memo	Category	Amount
			Balance 11/30/04			1,528.35
12/1/2004	HST Memo	123	Farmers Dairy	No HST	Hot Lunch Expense	-122.50
12/1/2004	HST Memo	124	Staples	HST 7.49	Office Supplies Expense	-57.43
12/2/2004	HST Memo	125	Mr. P. Jones	No HST	Classroom Supplies Expen	-25.00
12/3/2004	HST Memo	126	Ross Farm	HST 16.30	Class Trip Expense	-125.00
12/5/2004	HST Memo	127	Atlantic Superstore	HST 1.30	Family Studies Expense	-125.67
12/8/2004	HST Memo	128	Instructional Aids	HST 18.00	Classroom Supplies Expen	-138.00
12/9/2004	HST Memo	129	Greco Pizza	HST 23.48	Hot Lunch Expense	-180.00
12/10/2004	HST Memo	130	Basin Stationery and Office	HST 7.50	Office Supplies Expense	-57.50
12/15/2004	HST Memo	131	Stock Transportation	HST 12.45	Class Trip Expense	-95.45
12/20/2004	HST Memo	132	Mobile First Aid and Safety	HST 15.00	Office Supplies Expense	-115.00
12/20/2004	HST Memo	133	Scholastic Canada	GST 3.15 Books	Classroom Supplies Expen	-48.15
12/20/2004	HST Memo	134	Empire Theatres	HST 21.00	Class Trip Expense	-161.00
			Total 12/1/04 - 12/31/04			-1,250.70
			Balance 12/31/04			277.65
			Total Inflows			0.00
			Total Outflows			-1,250.70
			Net Total			-1,250.70

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

		HST SUMMARY FORM (Purchases made prior to July 1, 2006)			
		Month of _____	20__		
School Name: _____		School No.: _____			
Date	Invoice #	Supplier	Invoice Amount Before HST	HST	Total Invoice Amount
		Staples		7.49	
		Ross Farm		16.30	
		Atlantic Superstore		1.30	
		Instructional Aids		18.00	
		Greco Pizza		23.48	
		Basin Stationery		7.50	
		Stock Transportation		12.45	
		Mobile First Aid		15.00	
		Empire Theatre's		21.00	
		Subtotal		122.52	
BOOKS					
				3.15	
		Total HST Paid (15%)		122.52	(1)
		Total GST Paid (7%)		3.15	(2)
		HST Rebate (at 68% for 15%)		83.31	(3)
		GST Rebate (at 100% for 7%)**		3.15	(4)
		Provincial Portion (for 68% only)	(5)	44.43	(8/15 x 68% Rebate)
		Federal Portion (for 68% only)	(6)	38.88	(7/15 x 68% Rebate)
		Total Rebate	(7)	86.46	

** This is available only for **Book** purchases

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

- (1)** Total of HST for the period
- (2)** Total of GST (books only) for the period
- (3)** HST rebate amount – Total HST from **(1)** times 68%
- (4)** GST rebate amount – Total GST from **(2)** times 100%
- (5)** Provincial Portion – Total from **(3)** times 8/15 (the provincial portion of HST is 8%)
- (6)** Federal Portion – Total from **(3)** times 7/15 (the federal portion of HST is 7%)
- (7)** Total Rebate – Sum of **(3)** and **(4)**.

Figure 5-4B. 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 goods or services in each activity. See "Special rules for claimants with multiple activity types" in our guide called *GST/HST Public Service Bodies' Rebate* (RC4034).

Calculation for the "Federal" column

If you paid GST at 7%, multiply the amount of tax that you have paid by the rebate factor and enter the result in the "Federal" column. For example, as a charity, your rebate factor is 50%. If you paid \$300 GST on eligible expenses, you would enter \$150 (\$300 x 50%) in the "Federal" column on line 305.

If you paid HST at 15%, the federal part of HST is 7/15 of the tax that you paid. Add to this any GST that you paid at 7%. Multiply this amount by your rebate factor and enter the result in the "Federal" column.

Calculation for the "provincial" columns (New Brunswick, Newfoundland and Labrador, and Nova Scotia)

If you are a resident of a participating province, or have a branch or division that is resident in a participating province, you may be eligible for a rebate of the provincial part of HST. This is 8/15 of the tax that you paid. Multiply this amount by your rebate factor and enter the result in the applicable provincial column.

For example, as a charity resident in Nova Scotia, your rebate factor is 50%. If you paid \$300 HST on eligible expenses, you would enter the federal part, \$70 (7/15 x \$300 x 50%), in the "Federal" column on line 305. You would enter the provincial part, \$80 (8/15 x \$300 x 50%), in the "Nova Scotia" column on line 305.

Municipality claims at line 300 for the "Federal" column

Use the rebate factor of **57.14%** for any amount of tax that became payable before February 1, 2004, and enter the result in box A below. Use the rebate factor of **100%** for any amount of tax that became payable after January 31, 2004, and enter the result in box B. Add amounts A and B. Enter the result in box C and in the Federal column at line 300. For more information, see the guide called *GST/HST Public Service Bodies' Rebate* (RC4034).

$$A \boxed{} + B \boxed{} = C \boxed{}$$

Line number	Activity type	Rebate factor	Federal	New Brunswick	Newfoundland and Labrador	Nova Scotia
300	Municipality (see instructions above)					
		57.14%				
301	University (or affiliated college or research body)	67%				
302	School authority	68%				
303	Public college	67%				
304	Hospital authority	83%				
305	Charity	50%				
306	Qualifying non-profit organization (see note below)	50%				
307	Books (do not include in other activity types)	100%				
308	Goods and services exported by a registered charity or public institution	100%				
309	Self-government refund	100%				

Total the amounts from all boxes. Enter your total claim on line 409.

Total amount claimed

409

Note: If you are a qualifying non-profit organization, you must complete and file Form GST523, *Non-Profit Organizations – Government Funding*, on an annual basis. Do not send us your annual reports or financial statements.

Printed in Canada

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 claim period ends on March 21, your claim period must be reported as ending on March 31. Transactions for the period of March 22 to March 31 should be included on the claim beginning April 1.

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

The rebate amounts are calculated on the back of the form. Only three lines need to be completed:

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 7/15 times the rebate amount; beginning July 1, 2006 this will change to 6/14) in the Federal column. Enter the Nova Scotia portion (calculated at 8/15 times the rebate amount; beginning July 1, 2006 this will change to 8/14) in the Nova
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	Scotia column.
Line 307	Record the GST paid on books. No breakdown is required between the federal and Nova Scotia columns, as 100% of the rebate is claimed under the federal column.
Line 409	Enter the total of lines 302 (both the Federal and Nova Scotia amounts) and 307. The total should match the total amount of HST rebate calculated on your HST summary form.

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 2006, postmarked December 29, 2005, the donation qualifies as a 2005 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.ns.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.

Figure 6-1. Charitable Donation Control Form

SCHOOL NAME:

TYPE OF DONATION	NAME & ADDRESS OF DONOR	AMOUNT
Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Gift in Kind* <input type="checkbox"/>		Date of Donation _____ <input type="checkbox"/> Issue Tax Receipt <input type="checkbox"/> No Tax Receipt
Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Gift in Kind* <input type="checkbox"/>		Date of Donation _____ <input type="checkbox"/> Issue Tax Receipt <input type="checkbox"/> No Tax Receipt
Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Gift in Kind* <input type="checkbox"/>		Date of Donation _____ <input type="checkbox"/> Issue Tax Receipt <input type="checkbox"/> No Tax Receipt
Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Gift in Kind* <input type="checkbox"/>		Date of Donation _____ <input type="checkbox"/> Issue Tax Receipt <input type="checkbox"/> No Tax Receipt
<p>*Note: For gifts in kind, an independent written appraisal must accompany each request for tax receipt.</p>		
Principal Signature		Date

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 this handbook apply 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 8-1A) and gather the supporting information specified on the form. Sign side 2 of the form. For a copy of the form, go to Appendix B, or the board’s Document Depot link at www.hrsb.ns.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 8-1B), 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 8-1A. 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				
*The most recent bank statement for each account				
*The most recent bank reconciliation for each account				
*The register report that corresponds to the bank reconciliation				
*The most recent HST statement				
*A summary of future commitments entered into by the school				
*Cash Flow report for the year to date				
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)*	D	\$ <input style="width: 150px;" type="text"/>		
Box 'D' must agree with Box 'A'				

Figure 8-1B. 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"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<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, the board's internal auditor, 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 cash flow report (see Figure 9-2)
- a reconciliation report (see Figures 9-3A to 9-3D)
- 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 register balance for the same date. The information required for this form is generated by the cash flow report (Figure 9-2, 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 register for March 31.

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

SCHOOL FINANCIAL STATEMENT		
YEAR ENDING March 31 20xx		
Account - General		
1.	* Balance Previous Year	\$ 2,000.00
2.	Cash Received During Current Year	\$ <u>5,000.00</u>
3.	Total Revenue (Add 1 and 2)	\$ <u>7,000.00</u>
4.	Disbursed During Current Year (You must include cheques that have not cleared the bank)	\$ <u>4,000.00</u>
5.	Balance on Hand (Subtract 4 from 3) (If using Quicken - register balance)	\$ <u>3,000.00</u>
School _____ <u>Any School</u>		
Date Submitted _____ <u>April 21, 20xx</u>		
Signature of Principal _____ <u>school principal</u>		
*IF THE PREVIOUS BALANCE DIFFERS WITH REPORTED AMOUNT, PLEASE PROVIDE A RECONCILIATION OF DIFFERENCE.		

Cash Flow Report

The cash flow report (Figure 9-2) shows receipts 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 Inflows” field on the cash flow report to complete the “Cash Received During Current Year” field on the school financial statement.
- Use the amount from the “Total Outflows” field on the cash flow report to complete the “Disbursed During Current Year” field on the school financial statement.
- Because the report measures only the cash flow, it does not factor in your opening bank balance. As a result, the overall total on the cash flow report will not match your balance on hand in the year-end financial statement. The difference between the two should be the opening balance.

Figure 9-2. Year-End Cash Flow Report (using Quicken)

Cash Flow	
04/01/05 through 03/31/2006	
<u>Category Description</u>	<u>04/01/2005 - 03/31/2006</u>
INFLOWS	
Band Fees	325.00
Class Trip Deposits	151.00
Fundraiser Income	1,397.00
Hot Lunch Income	767.00
Milk Income	445.00
PTA Contributions	790.00
Student Fees Income	1,125.00
TOTAL INFLOWS	<u>5,000.00</u>
OUTFLOWS	
Agenda Book Expense	503.75
Bank Expense	99.00
Class Trip	
Grade 5 Trip Expense	115.00
Grade 6 Trip Expense	400.00
TOTAL Class Trip Expense	<u>515.00</u>
Classroom Supplies	436.00
First Aid Expense	261.10
Fundraising Expense	711.00
Hot Lunch Expense	436.00
Library Expense	92.05
Milk Expense	236.36
Music Expense	521.00
Office Supplies	188.74
TOTAL OUTFLOWS	<u>4,000.00</u>
OVERALL TOTAL	<u>1,000.00</u>

Reconciliation Report

Figures 9-3A and 9-3B show a sample reconciliation report. This sample report is generated in Quicken 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 Quicken balance and the bank balance. The reconciliation report prints the ending Quicken 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 (Quicken, page 1)

Wednesday April 19, 2006		
ABC School - All Accounts		
Bank Reconciliation ABC School March 31 2006		
Reconcile Balance as of March 31 2006		Page 1
<i>Bank Statement - Cleared Transactions</i>		
Previous Balance:		1,000.00
Checks and Payments	11 Items	-3,862.56
Deposits and Other Credits	8 Items	5,675.00
Ending Balance of Bank Statement		<u>2,812.44</u>
<i>Your Records - Unreconciled Transactions</i>		
<i>Cleared Balance:</i>		2,812.44
Checks and Payments	2 Items	-137.44
Deposits and Other Credits	1 Items	325.00
Register Balance as of 3/31/2006		<u>3,000.00</u>
Checks and Payments	0 Items	0.00
Deposits and Other Credits	0 Items	0.00
Register Ending Balance		<u><u>3,000.00</u></u>

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

Reconciliation Report						
ABC School Account					Page 2	
Cleared Transactions Details						
Date	Num	Payee	Memo	Category	Clr	Amount
Cleared Cheques and Payments						
2/13/2006	299	Farmers Dairy	Milk	Milk Expense	R	-236.36
2/28/2006	316	Atlantic Fund Raiser		Fundraising Exp	R	-711.00
3/3/2006	319	Grecco Pizza		Hot Lunch Expense	R	-436.00
3/15/2006	334	Learning Resources Inc.		Class Room Supplie	R	-436.00
3/20/2006	344	Premier School Agenda's	Deposit	Agenda Book Expen	R	-503.75
3/21/2006	345	Nova Charter	Bus	Class Trip Expense	R	-400.00
3/22/2006	346	Staples		Office Expense	R	-166.30
3/23/2006	347	Beton Fire Supplies		First Aid Expense	R	-261.10
3/24/2006	348	Bank of Nova Scotia		Bank Charges	R	-99.00
3/31/2006	349	Empire Theatres		Music Expense	R	-521.00
3/31/2006	350	Tattletale Books		Library Expense	R	-92.05
Total Cleared Cheques and Payments				11 Items		-3,862.56
Cleared Deposits and other Credits						
3/15/2006	DEP	Deposit	Trip 6C	Class Trip Income		1,000.00
3/20/2006	DEP	Deposit		Milk Income		445.00
3/21/2006	DEP	Deposit		Hot Lunch Income		767.00
3/22/2006	DEP	Deposit		Student Fees Income		1,125.00
3/23/2006	DEP	Deposit		Class Trip Income		151.00
3/24/2006	DEP	Deposit		Fundraiser Income		1,022.00
3/31/2006	DEP	Deposit		Fundraiser Income		375.00
3/31/2006	DEP	Deposit		PTA Income		790.00
Total Cleared Deposits and Other Credits				8 Items		5,675.00
Total Cleared Transactions						1,812.44

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

Reconciliation Report						
ABC School Account						Page 3
Uncleared Transactions Details up to 03/31/2006						
Date	Num	Payee	Memo	Category	Clr	Amount
Uncleared Cheques and Payments						
3/31/2006	351	Mr. Jones	Crayons	Classroom Exp.	R	-22.44
3/31/2006	352	Scholastic	Library	Library Expense	R	-115.00
Total Uncleared Cheques and Payments				2 Items		<u>-137.44</u>
Uncleared Deposits and other Credits						
3/31/2006	Dep	Deposit	5M	Class Trip Income		325.00
Total Cleared Deposits and Other Credits						<u>325.00</u>
Total Cleared Transactions						187.56

Figure 9-3D. Reconciliation Report – Uncleared Transaction Details After Reconciliation (Quicken, page 4)

Reconciliation Report						
ABC School Account						Page 4
Uncleared Transactions Details after 03/31/2006						
Date	Num	Payee	Memo	Category	Clr	Amount
Uncleared Cheques and Payments						
Total Uncleared Cheques and Payments				0 Items		<u>0.00</u>
Uncleared Deposits and other Credits						
Total Cleared Deposits and Other Credits						0.00
Total Cleared Transactions						0.00

PART THREE: APPENDICES

Appendix A. Purchasing Policy

1.0 GENERAL STATEMENT OF POLICY

- 1.1 The Halifax Regional School Board is committed to the acquisition of goods and services in an efficient, cost-effective, and consistent manner.
- 1.2 The Procurement process will be open, fair, and competitive.
- 1.3 The Purchasing function supports the Board's objective of directing quality physical resources to the classroom at maximum value for cost.
- 1.4 The Board's Purchasing Policy reflects the objectives of the Atlantic Agreement (April 17, 1996) and the Province of Nova Scotia Policy on Procurement (January 1, 1996).

2.0 APPLICATION OF POLICY

2.1 The Purchasing policy applies to all staff, in any location, who may be involved in purchasing, recommending for purchase, or receiving any supplies, equipment, services and/or materials for use within the school system.

- 2.2 This policy is applicable to the procurement of goods and services utilizing school-generated funds, as well as Board funds.

3.0 IMPLEMENTATION OF POLICY

- 3.1 It is the responsibility of the Director of Financial Services to ensure that the Purchasing policy is implemented.
- 3.2 The policy will be implemented by the Director of Finance and the Coordinator of Procurement, assisted as required by support staff of the Board, and by each school principal, assisted as required by school-based staff.
- 3.3 All staff with budget responsibility are accountable to ensure that goods and services purchased are in accordance with the approved budget and/or within their area of accountability. Acquisitions beyond the approved budget will be made only in exceptional or emergency circumstances.

4.0 PURCHASING THRESHOLDS

- 4.1 Local Purchase Orders are designed for immediate use in routine activities at the school or central office site, and are to be used only for the acquisition of goods valued at less than \$500.00.
 - 4.1.1 For the acquisition of goods with an estimated value of less than \$1,000, the Coordinator of Procurement, or designated departmental representatives, will follow procedures to be established which ensure competitive prices are obtained.

- 4.1.2 For the acquisition of services and construction requirements with an estimated value of less than \$5,000, the Coordinator of Procurement, or designated departmental representatives, will follow procedures to be established which ensure competitive prices are obtained.
- 4.1.3 For the acquisition of goods, the Coordinator of Procurement, or designated departmental representatives, will obtain at least three (3) quotation prices, where feasible, for acquisitions with an estimated value of \$1,000 to \$25,000.
- 4.1.4 For the acquisition of services, the Coordinator of Procurement, or designated departmental representatives, will obtain at least three (3) quotation prices, where feasible, for acquisitions with an estimated value of \$5,000 to \$50,000.
- 4.1.5 For construction requirements, the Coordinator of Procurement, or designated departmental representatives, will obtain at least three (3) quotation prices, where feasible, for acquisitions with an estimated value of \$5,000 to \$100,000.
- 4.1.6 Goods with an estimated value greater than \$25,000 will be publicly advertised. In addition, bids may be invited from a minimum of three (3) suppliers where required to ensure an adequate degree of competition.
- 4.1.7 Services with an estimated value greater than \$50,000 will be publicly advertised. In addition, bids may be invited from a minimum of three (3) suppliers where required to ensure an adequate degree of competition.
- 4.1.8 Construction requirements with an estimated value greater than \$100,000 will be publicly advertised. In addition, bids may be invited from a minimum of three (3) suppliers where required to ensure an adequate degree of competition.

5.0 BOARD APPROVAL

- 5.1 Board approval is required for the award of all tenders for non-budgeted goods with a value of \$25,000 or greater.
- 5.2 Board approval is required for the award of all tenders or Requests for Proposals for non-budgeted services with a value of \$50,000 or greater.
- 5.3 Board approval is required for the award of all tenders or Requests for Proposals for non-budgeted construction requirements with a value of \$100,000 or greater.
- 5.4 Staff will provide written notification to the Board of the award of all tenders for budgeted goods with a value of \$25,000 or greater.
- 5.5 Staff will provide written notification to the Board of the award of all tenders or Request for Proposals for budgeted services with a value of \$50,000 or greater.
- 5.6 Staff will provide written notification to the Board of the award of all tenders or Requests for Proposals for budgeted construction requirements with a value of \$100,000 or greater.

Appendix B. Sample Forms

Appendix B 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>

- B-1 Cash Transmittal Envelope
- B-2 Cash Transmittal Slip
- B-3 Daily Cash Log
- B-4 Request for Payment
- B-5 Petty Cash Reconciliation
- B-6 Monthly Financial Statement
- B-7 Taxable Sales Worksheet
- B-8 Class Collection List
- B-9 Cash Reconciliation – School Dance
- B-10 Fundraiser Summary Form
- B-11 Charitable Donation Control Form
- B-12 Application for Exemption for Volunteer Organizations
- B-13 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 _____

Request for Payment

School _____

Date _____

Payable to _____

Purpose _____

Category _____

Invoice Attached YES _____ NO _____

Authorized Signature _____

Principal

Note: Attach original invoices to this request

FOR SCHOOL BANK ACCOUNT USE ONLY

Monthly Financial Statement

School Name _____

For the month of _____

A. Opening Balance (previous month closing balance from Quicken) _____

B. Cash Received (total inflows from Cash Flow Report) _____

Total Cash Available (A + B) _____

C. Disbursements (total outflows from Cash Flow Report) _____

D. Ending Cash Balance (compare to month-end Quicken balance) _____

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.**

CHARITABLE DONATION CONTROL FORM

SCHOOL NAME: _____

TYPE OF DONATION	NAME & ADDRESS OF DONOR	AMOUNT
Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Gift in Kind* <input type="checkbox"/>		Date of Donation _____
		<input type="checkbox"/> Issue Tax Receipt
		<input type="checkbox"/> No Tax Receipt
Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Gift in Kind* <input type="checkbox"/>		Date of Donation _____
		<input type="checkbox"/> Issue Tax Receipt
		<input type="checkbox"/> No Tax Receipt
Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Gift in Kind* <input type="checkbox"/>		Date of Donation _____
		<input type="checkbox"/> Issue Tax Receipt
		<input type="checkbox"/> No Tax Receipt
Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Gift in Kind* <input type="checkbox"/>		Date of Donation _____
		<input type="checkbox"/> Issue Tax Receipt
		<input type="checkbox"/> No Tax Receipt
<p>*Note: For gifts in kind, an independent written appraisal must accompany each request for tax receipt.</p>		
Principal Signature		Date

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)

(Signature) Date: _____

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

Director, Financial Services
Halifax Regional School Board
33 Spectacle Lake Dr, Dartmouth, NS 3B1X7

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 Facilities 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
- *The register report that corresponds to the bank reconciliation
- *The most recent HST statement
- *A summary of future commitments entered into by the school
- *Cash Flow report for the year to date

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)* D \$

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 C. Contacts

Financial Services Department

Director, Financial Services	Terri Thompson	tthompson@hrsb.ns.ca	464-2000 Ext 2220
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Regional Accounting Services

Regional Accounting Services Managers	Charlotte Henderson	chenderson@hrsb.ns.ca	464-2000 Ext 2221
	Patsy Snow	psnow@hrsb.ns.ca	464-2000 Ext 2239
Regional Accounting Services Clerk	Annette Bezanson	abezanson@hrsb.ns.ca	464-2000 Ext 2017

Purchasing

(For procurement and MasterCard)

Manager	Peter Chaffey	pchaffey@hrsb.ns.ca	464-2000 Ext 2010
Buyer	Deborah Beck	dbeck@hrsb.ns.ca	464-2000 Ext 2011

Payroll

Manager	Pam Fry	pfry@hrsb.ns.ca	464-2000 Ext 2233
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