

POLICIES, GUIDELINES AND PROCEDURES

SUBJECT	N.E.P.N. CODE
PARENT FUNDS: AUDIT & FINANCIAL MONITORING PROCEDURES	DIE-2

I. POLICY

The Louis Riel School Division supports the active involvement of parents in schools and appreciates their contributions to our community of schools,

The Division believes that the primary goal of fund-raising conducted by parent organizations on behalf of the Division's schools is to benefit the children of those schools.

Accordingly, the Division believes it essential that:

- school principals and parent organizations respect their distinct responsibilities for financial accountability to their school communities, including timely expenditures of funds; and that
- adequate safeguards exist to monitor parent organizations' funds and thereby maintain the confidence of all individuals and organizations that contribute to those funds.

II. GUIDELINES

1. For the purposes of this policy, "parent organizations" shall be defined to include:
 - the body that functions to represent the interests of all parents in a given school
 - any group of parents within a given school that convenes to support a specific project or program to benefit students in that school
2. The Division's Secretary-Treasurer (or designate) shall be responsible to:
 - implement a divisional system for handling of school funds;
 - perform, at their discretion, summary audits of each school's records and issue reports thereon;
 - request periodic financial statements of parent organizations' funds.

Parent organizations' funds may be included in school funds by establishing a separate general ledger for this purpose with the financial institution employed by the school. Alternatively, the parent organization may choose to maintain a separate bank account and accounting system at a financial institution of its choice. It is recommended that Parent organizations use financial controls as outlined in [DIE-1 - School Funds: Audit & Financial Monitoring Procedures](#).

Adopted:	March 7, 2006	Legal References: Advisory Councils for School Leadership Regulation 54/96 (Manitoba)
Revised:	February 5, 2019 April 6, 2021	

3. When a parent organization has an account administered as part of the School accounts:
 - 4.1 The parent organization maintains control of, and responsibility for, all funds included in the general ledger account assigned.
 - 4.2 The principal may delegate duties for financial records management and transactions.
 - 4.3 The **PROCEDURES** prescribed below apply.
4. When a parent organization has chosen to maintain a separate bank account, the following stipulations shall apply:
 - 5.1 The principal shall recommend that the parent organization adhere to the following fiscal management guidelines:
 - 5.1.1 establish organizational objectives;
 - 5.1.2 appoint a Treasurer and signing officers;
 - 5.1.3 prepare an annual budget that includes any identified special projects;
 - 5.1.4 maintain complete financial and non-financial records;
 - 5.1.5 prepare and distribute financial statements in a timely manner to all organization members and the school Principal;
 - 5.1.6 ensure that reasonable controls exist to minimize the risk of unauthorized disbursements and to ensure that, to the extent reasonably possible, all receipts are recorded and deposited;
 - 5.1.7 prepare monthly bank reconciliations;
 - 5.1.8 be subject to an annual audit; and
 - 5.1.9 maintain and distribute the minutes of the organization’s meetings.
 - 5.2 The Principal shall obtain a copy of the verified/audited financial statements along with the independent third-party report.

III. PROCEDURES

When a parent organization has an account administered as part of the School accounts, the following **Directions** shall apply.

I. Receipts

- I.1 The role of the parent organization:
 - count and prepare monies for deposit;
 - provide appropriate supporting documentation for receipts; and
 - remit funds to the school for deposit.
- I.2 The role of the school secretary:
 - provide a receipt;

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- prepare the deposit slip;
- record the deposit in the general ledger account assigned to the parent organization; and
- deposit funds at the bank.

2. Disbursements:

2.1 The role of the parent organization:

- prepare cheque request vouchers;
- attach invoice/supporting documentation;
- obtain two signatures from signing officers that are not the payee(s) on the invoice; and
- forward the invoice to the school.

2.2 The role of the school secretary:

- prepare a payment/cheque request in the accounting system;
- record the disbursement in the general ledger account assigned to the parent organization; and
- provide a monthly financial report of the parent organization's general ledger accounts' opening cash position, receipts, disbursements and ending balance.

Additional Resources

- Canadian Institute of Chartered Accountants. 1983. *CICA handbook*. Toronto, ON: The Institute.
- Canada Revenue Agency – Gifts, awards, and long-service awards
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/benefits-allowances/gifts-awards-social-events/gifts-awards-long-service-awards.html>
- Manitoba Association of Parent Councils (MAPC) – Main Website:
<http://www.mapc.mb.ca/>
- MAPC – Resources for Parent Councils:
http://www.mapc.mb.ca/Resources_and_Support
- Manitoba Education - School Partnerships: A Guide for Parents, School and Communities:
http://www.edu.gov.mb.ca/k12/specedu/school_partnerships/pdf/School_Partnerships_Complete.pdf
- LRSD [Policy DIE-1](#) – School Funds: Audit & Financial Monitoring Procedures
- LRSD [Policy JJE-2](#) – Student Fundraising: Parent-Initiated
- LRSD [Policy GBEA](#) – Staff Ethics: Conflicts of Interest

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