

FUND ACCOUNTING

Background

The Division maintains provisions for a separate operating fund, capital fund and reserve fund for monies that are externally restricted in terms of use. Fund accounting is an internal process intended to simplify monthly reporting to the Board.

Definitions

The operating fund contains the current revenue, expenditure, assets and liabilities pertaining to the general operations of the Division.

The capital fund contains the capital assets, which are property and equipment, other capital related assets, long-term debt, transactions relating to the capital fund activities and the equity in capital fund assets.

Reserve funds contain the assets, liabilities, transactions and fund balances of reserves that have been designated by the Division for anticipated future costs of planned projects. Reserves are created by authorization of the Board. Contributions to and expenditure from, reserves are made in accordance with terms and conditions established by the Board.

Trust funds will be maintained and will contain the assets, liabilities transactions and fund balances from donations and other contributions that are administered by the Division for scholarships and bursaries benefiting students of the Division.

Procedures

1. Responsibility

- 1.1 The Chief Financial Officer is responsible for maintaining and managing the Division's fund accounting and making recommendations to the Director regarding the allocation of Division proceeds.

2. Reserves Planning

- 2.1 A reserve for operating expenditures may be established on recommendation to the Board.
- 2.2 A reserve for capital expenditure may be established on recommendation to the Board. The purpose of the reserve is to fund:
 - 2.2.1 The purchase of land,

- 2.2.2 New buildings,
 - 2.2.3 Renovations and additions,
 - 2.2.4 Furniture, equipment and supplies,
 - 2.2.5 Major building repairs,
 - 2.2.6 Replacement of equipment, and
 - 2.2.7 Anticipated future salary costs.
- 2.3 Other reserves may be established from the proceeds of the disposal of land and buildings as required by the Ministry of Education.
- 2.4 The annual contributions to, and transfer from, reserves is to be approved by the Board annually in conjunction with the adoption of the budget subject to Ministry approval.

3. Trust Funds

- 3.1 The Chief Financial Officer is authorized to receive donations for the purpose of establishing scholarships and student bursaries. Funds are to be held in trust for the purposes intended.
- 3.2 The Chief Financial Officer is to make every effort to comply with the conditions specified by the donor.
- 3.3 Provisions shall be made to hold funds in trust by the Division for purposes other than student scholarships and bursaries.

References: Sections 85, 87, 286 Education Act
The School Division Administration Regulations 45, 48

Approved: November 28, 2018