

## Code D: Business Administration

<b>POLICY TITLE AND CODE</b>
<b>FUND ACCOUNTING</b>
<b>DGA</b>

### STATEMENT OF POLICY

Greater Saskatoon Catholic Schools shall maintain a separate operating fund, capital fund, reserve fund, and trust fund for monies which are externally restricted in terms of use.

### RATIONALE

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

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

The reserve fund contain the assets, liabilities, transactions, and fund balances of reserves that have been designated by the school division for anticipated future costs of planned projects.

Reserves are created by authorization of the Board of Education. Contributions to and expenditure from reserves are made in accordance with terms and conditions established by the Board.

The trust fund contains the assets, liabilities transactions, and fund balances for associate schools, donations, and other contributions that are administered by the school division for scholarship and bursary benefitting students of the school division.

### AUTHORITY

- *The Education Act*, Section 87(1) (j)
- Policy Governance Manual

### GUIDELINES

1. Monies retained in the reserve fund shall be reviewed periodically in consideration of forecast requirements and shall be invested in accordance with the Board of Education's short term investment policy.

2. Monies retained in the trust fund shall be invested in accordance with the Board of Education short term investment policy, used for short term loans to the annual operating budget, at a rate of interest equivalent to the prevailing rate paid by the Board of Education on operating loans, and/or used for the purpose for which the trust was established as determined by the appropriate budget manager, appropriate governing body, or endowment requirements.

## **PROCEDURES**

1. The reserve fund shall accumulate through the allocation of funds designated for anticipated future project costs and through the transfer of surpluses that may be experienced in the operating budget at the end of each fiscal year.
2. Reserve funds attributed to capital requirements shall accumulate through the interest earned from investing the monies accumulated in the fund, from short term loans to the operating budget at a rate of interest equal to lending institutions, the proceeds obtained from the sale of any of Greater Saskatoon Catholic Schools' capital assets with a value in excess of \$1,000.00, and/or provisions from the budget.
3. School-based funds are collected from students and parents and from fund raising activities and such funds are spent on their behalf to enhance school programs related to student excursions or other out-of-school educational programs, student activities, special events conducted at the school level, and supplies for extracurricular activities.
4. Trust funds include associate school reserves for operating, sick leave and capital expenditures and endowment funds for scholarships.

## **REFERENCES**

Statement of Educational Commitment of Greater Saskatoon Catholic Schools:

- To practice stewardship with respect for all of God's creation
- To be attentive to the specific needs of each student
- To foster the creative potential of each student
- To recognize the inter-relationship of all knowledge in a world created by a loving God

## **FORMS**

Administrative Services Division Manual

## **DATE APPROVED**

September 25, 1985

## **DATES AMENDED**

July 29, 1987

February 20, 1991

May 29, 1995

July 4, 1997

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