



Financial Control and Procedure Handbook

2021 - 2022



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PAC Overview and Structure

The Parent Advisory Councils (PACs) is the officially recognized collective voice of parents of their school. Part 2.8 of the [School Act](#) outlines the PAC's purpose and structure. Each PAC is governed by its own bylaws and constitutions, all PAC members should be aware of the current PAC constitution and bylaws. There can only be one PAC per school and the Board of Education must approve the establishment.

All PAC officers must be elected by its members and officers should include a Chair, Vice-chair, Past Chair, Secretary and Treasurer.

Each PAC should maintain a Gaming Bank account and a General Bank account. The school or the district can also hold PAC designated category accounts. There are different rules on how funding can be spent. Please review the section below for further clarifications.

Role of PAC Treasurer

The role of the PAC treasurer is set out in the constitution and bylaws of that PAC. In most PAC's the Treasurer is one of the signing authorities but they do not have to be. The responsibilities of the Treasurer can include the following:

- Record financial transactions
- Maintain and safeguard financial records
- Prepare and report on PAC finances
- Assist with PAC Budget preparation
- Ensure financial controls and practices are in place
- Help in the application of gaming grants

PAC Annual Budget

The budget reflects planning for the year and gives your council executive and treasurer the authority they need to spend money. Without a budget, the executive must seek approval from membership for every expenditure which could be very time consuming. A budget should be in place prior to the school year (June 30th) so that the PAC is able to spend in September. A good budget takes into account the wishes of the council membership and the needs of the school. All money raised should have purpose and all money kept past one school year should have a purpose. If any funds are kept past the current school year the PAC should outline their proposed spending plan for it.

PAC SAMPLE BUDGET			
		<u>2019-2020</u>	<u>2020-2021</u>
INCOME		<u>ACTUAL</u>	<u>BUDGET</u>
Gaming ¹		\$12,000.00	\$12,500.00
Fundraising ²		\$1,250.00	\$1,000.00
Community Grants ³		\$500.00	\$500.00
Donations		\$750.00	\$500.00
Balance forward ⁴			\$6,384.25
TOTAL INCOME		\$14,500.00	\$20,884.25
EXPENSES			
BCCPAC Membership		\$75.00	\$75.00
Childcare ¹		\$350.00	\$500.00
Consumable school supplies		\$664.00	\$750.00
Field Trips		\$4,689.50	\$6,000.00
Hot Lunch		\$200.00	\$400.00
Fundraising Expenses		\$622.50	\$500.00
Sport Equipment		\$749.50	\$1,250.00
Playground ²		\$0.00	\$10,000.00
Library Books		\$765.25	\$1,000.00
TOTAL EXPENSES		\$8,115.75	\$20,475.00
NET FUNDS		\$6,384.25	\$409.25
Notes to Projected Budget Revenue:			
¹ – Gaming Grant to PACs, \$20/625 FTE students			
² – Fundraising will include hot lunches, silent auctions, raffles, community events etc.			
³ – Application for grants from regional district and local foundations			
³ – Balance forward was help to fund playground in current fiscal year			
Notes to Projected Budget Expenses:			
¹ –Childcare offered at every PAC meeting, \$50 meeting			
² – Playground to be installed after 2 year fundrasign campain			

Steps in good budgeting

- Work with parents to help understand the needs of the school.
- Take into consideration your schools goals. Does your proposal support these goals?
- Consult with your school administrator and request a prioritized wish list from students and staff.
- If you are planning on using gaming funds ensure you have complied with all of the rules.
- Previous budget and financial reports can serve as a guide. A comparison between the budgets to actual can help gauge if the budgeting process is working.

How to Prepare and manage a Budget

- Determine your spending priorities
- Estimate your expenses
- Estimate and plan your revenue
- Build consensus
- Pass the budget via a motion at a PAC meeting
- A budget can be amended if there are unanticipated extraordinary items. It should not be amended for small operational variances. The membership should vote on any amendments
- The treasurer is responsible to keep track of revenue and expenditures and alert the executive and member ship if any there are issues.

Fundraising

District fundraising policies and procedures must be followed by all groups, a link to policy 3.16.00 can be found in the quick links. Fundraising activities in the School policy notes the following:

"PROCEEDS FROM FUNDRAISING ACTIVITIES OR EVENTS CONDUCTED IN THE NAME OF A SCHOOL SHALL ONLY BE USED TO ENHANCE AND ENRICH THE SCHOOL AND SHALL NOT BE UTILIZED FOR THE HIRING OF STAFF OR THE PROVISION OF STUDENT PROGRAMS AND ACTIVITIES WHICH CONSTITUTE A SIGNIFICANT ONGOING COMPONENT OF AN INSTRUCTIONAL PROGRAM."

Campaigns must be a school or district sanctioned event with approval from the principal. The purpose of the campaign must be determined prior to the start of the fundraising. All funds raised under the PAC umbrella must comply with the fundraising policies and procedures. Funds received via fundraising can be advanced to the schools unlike the funds received from gaming which cannot.

Each fundraising event should complete an activity report that outlines all revenue and expenses. Expenses incurred should be approved by the PAC executive via the budget or motion. Funds raised can be applied to fees, events or purchases but cannot be given to students, parent or staff. For example, money raised for a trip can be applied to the costs but cannot be given to the students as money to take along with them on the trip. If tax receipts are not required then the deposit from fundraising activities can be deposited into the PAC general account. If tax receipt are required then the funds must

be deposited into the School or District bank account and remain there to pay for purchases directly. Deposits from fundraising should not be deposited to the gaming account as the funds in that account must comply with gaming regulations.

Below is a sample activity report. A link to all sample reports can be found in the quick link section at the bottom of the handout.

ABC SCHOOL - HALLOWEEN CARNIVAL				
PAC ACTIVITY MONTHLY REPORT				
INCOME	ACTUAL	BUDGET	VARIANCE	
Ticket sales	\$2,250.00	\$2,000.00	\$250.00	
Concession sales	\$649.50	\$500.00	\$149.50	
Donations	\$200.00	\$100.00	\$100.00	
TOTAL INCOME	\$3,099.50	\$2,600.00	\$499.50	
EXPENSES				
Food and Drinks	\$250.00	\$300.00	-\$50.00	
Music	\$50.00	\$50.00	\$0.00	
Entertainment	\$100.00	\$100.00	\$0.00	
Decorations	\$189.60	\$200.00	-\$10.40	
Misc supplies	\$22.69	\$50.00	-\$27.31	
TOTAL EXPENSES	\$612.29	\$700.00	-\$87.71	
NET FUNDS	\$2,487.21	\$1,900.00	\$587.21	

Gaming Fund Account

The Community Gaming Grants program distributes funds from commercial gambling revenues to not-for-profit community organization throughout British Columbia. The below section outlines from important dates and details for the gaming grants.

- Application for gaming grant must be received annual. Apply on-line April 1-June 30th. June 30th is the deadline.
- PAC's that are approved will receive \$20/students.
- Grants should be paid no later than September 30th.
- All gaming funds must be held in a separate gaming bank account
- Funds deposited into the gaming account from a gaming event, GST refunds and gaming donations must be spend in accordance with the gaming fund rules.
- Funds are to be used for extracurricular activity only. A list of prohibited expenditures can be found in the link to gaming grant information in quick links.
- Grant funds must remain under the management and control of the PAC.
- Grants must be disbursed within 36 months.

- All original invoices for gaming disbursement should be kept for audit purposes.
- PACs must submit a Gaming Account Summary Report within days of your PAC's fiscal year end to remain compliant.

Gaming Licenses

All gaming in BC requires a license. A license must be applied for in advance of the proposed event. If you are planning on having a gaming event at your school it must receive special permission from the Board prior to the event taking place. There are four classes of licenses. Class A, B, D are for specific games. Class C is for a community fair. In the quick links section you can find additional details c for Gaming Licenses and requirements.

Donations

Donation tax receipts can only be issued by the School District as the District is a registered charity. The district will issue tax receipts for qualifying donation of \$20 or more. All donations must be made payable to the School or School District. Funds received must remain with the school or the district – A cheque can NOT be written back to the PAC. Funds received can be held by the school in a separate account and are considered PAC funds that can be used at the direction of PAC. The school District policy on donations can be found in [Board Policy Manual](#) 3.17 and 3.18.

There is a process in place to request tax receipts. If a donation is received at the school please contact the secretary or bookkeeper who will request and distribute all donations received at the school. If a donation is received at the district as cash/cheque then the district will prepare and mail tax receipts. Tax receipts can also be issued for donations in kind, a full description of the item must be provided so the Secretary Treasurer or designate can provide an opinion on the suitability and value of the gift. For donations in kind with a value over \$1,000 an independent appraisal is required.

Donations can be made online with School Cash. The PAC can create a donation campaign offering parents and the community to donate on line. A tax receipt is generated at the time of the on-line donations. Funds are deposited in a district bank account and then re-direct to the school noted in the donation. The district may charge standard credit card fees for donations received on line.

Financial Controls and Practices

Strong financial controls and practices with help provide a degree of protection for the people responsible for handling and managing the funds. They will help ensure accountability among the group that funds are spend on intended purpose. Control will risk of error, misappropriation of funds and unauthorized transactions.

There are five areas of financial control that a PAC should consider. Below we have outlined these area and provided details on the controls.

Financial Authority

- Funds should only be spend according to an approved budget or authorized by a motion.
- There should be a minimum of two PAC executives with signing officer.
- The school Principal should not be a signing offer for PAC.
- All cheque should be reviewed and signed by two officer before issuance.
- Never sign a cheque issued to yourself.
- Never sign a cheque before the invoice is reviewed and the payee is filled out.
- Review signing authority as soon as there is any turnover.
- Know what you are signing for.

Records Maintenance

- All financial transaction must be recorded in a ledger that presents revenue and expenses by activity.
- A running total of the bank balance should be maintained.
- All financial records must be kept for 7 years. (bank statements, cheque stubs, deposit books, bank reconciliations, supporting documents, financial statement, budgets)
- Financial records should be secured. They can be stored with the PAC Chair or Treasurer but it would be best if there is space at the school to store and secure the documents.

Collection and Deposit of Funds

- Collections should be recorded and deposited timely. If you cannot get to the bank right away then the deposit should secured preferably in a locked area with limited access.
- Segregation of duties needs to be considered when dealing with collections. The person counting the cash should not also deposit the cash.
- Cash should be counted with 2 individuals present (not the person taking the deposit to the bank)

Disbursement of Funds

- Sufficient documentation must be provided. Ensure rules for gaming grant for invoice and receipt are adhered to.
- Blank cheques should never be singed
- Avoid using petty cash
- Cheques should be signed by 2 independent signing officers
- The signing authorities should not be related to another signing authority
- Cheque stock should be secured

Balancing and Financial Reporting

- Treasure to complete monthly bank reconciliations, PAC Chair to review and sign off
- After each fundraising activity a summary of sales and expenses should be provided

- Treasure to report on bank balances and financials at each PAC meeting. The principal should also be provided a copy
- The treasurer's report should be signed and dated by the Treasurer and approved by the PAC executive.
- Year End Financial Statements to be prepared by Treasurer
 - o Executive and membership needs to approve
 - o A copy should be provided to the Principal
 - o Review of statements
 - Can choose to have an external accountant to review
 - Can choose to have parent with accounting experience review

Purchasing

The PAC can choose to purchase items on their own, with the schools assistance or with the districts assistance. When deciding how to purchase items there are a tax implications and other none price related issue that should be considered.

PAC Purchases through the District

- The school initiates the purchase through the district purchasing department
- Vendor Ships the goods to the School or District
- The District pays the vendor invoice
- The District invoices the PAC directly net of taxes
- Tax implications
 - o 68% rebate on GST (or 100% for books)
 - o 100% rebate on PST (District will apply)
- Items purchased via the District will comply with district standard. This is especially important for furniture, equipment and any technology.
- The district can use its purchasing power to often get a reduced price

PAC Purchases through the School

- The school initiates the purchase
- The Vendor ships the goods to the School
- The school pays the invoice
- The school invoices the PAC net of taxes
- Tax implications
 - o 68% rebate on GST (or 100% for books)
 - o No PST rebate if purchased via the school

PAC Purchases items on their own

- The PAC sources, purchases and pays for the item
- Tax implications
 - o No GST rebate is available. (PAC will lose out on 68% of GST or 100% for books)
 - o 100% PST rebate but PAC must apply themselves
- Big ticket items and most technology should always be purchased via the district to ensure compatibility and district standards.

Quick Links

Gaming Grant Links

<https://www2.gov.bc.ca/gov/content/sports-culture/gambling-fundraising/gaming-grants/pac-dpac-grants>

Gaming License Links

<https://www2.gov.bc.ca/gov/content/sports-culture/gambling-fundraising/gambling-licence-fundraising>

PST Refunds

<https://www2.gov.bc.ca/assets/gov/taxes/sales-taxes/publications/pst-401-refunds-pac-funded-purchases.pdf>

BCCPAC Resources

<https://www.bccpac.bc.ca/index.php/resources>

Burnaby School District Policies

<https://burnabyschools.ca/board/budgets-and-policies/policy-manual/>

<https://burnabyschools.ca/wp-content/uploads/2014/08/Policy-3.17-Charitable-Donations.pdf>

<https://burnabyschools.ca/wp-content/uploads/2014/08/31800.pdf>