



Finance and Accountability in Education

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Overview

- ❖ School Administrator Accountability
- ❖ Financial Role of School Administration
- ❖ Management of School Based Funds
- ❖ Conflict of Interest



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School Administrator Accountability



Ethical and
Legal
Considerations



Facilitating the
Instructional
Program



Discretionary
Use of School
Funds



Third Party
Arrangements
and Alternate
Funding
Sources



Auditor
Involvement



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Ethical vs Legal

- ❖ Ways to collect and spend dollars that are legal but not ethical.
- ❖ School Admin Fee
- ❖ Conflict of Interest Policy



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Financial Responsibilities of School Administration

- ❖ Segregation of Duties
- ❖ School Fund Responsibility
- ❖ Budget and Expenditure Approval
- ❖ Reporting Requirements
- ❖ Managing Public Perception



What % of employees have stolen from their employer?



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Discretionary Use of School Funds



Funds should be spent on the intended purpose.



Different degrees of discretion based on the type of funds.



Students should receive the direct benefit of the funds collected.



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School Funding

❖ Decentralized Budget

School division allocation per student

❖ School Generated Funds

Fundraising at the school level

❖ School Fees

Fees charged to students for programs



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Decentralized Budgets

Principal decides on how this is spent each year

Most school divisions allow a carryover amount

Amounts can range up to \$150,000 per year

To purchase textbooks, photocopying, supplies, and resources

Some school divisions provide a student fee grant



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School Generated Funds

- ❖ Classroom collections for field trips, milk programs, school grants, and hot lunches.
- ❖ Larger purchases should be tracked with a unique account code
- ❖ Ensure proper internal controls
- ❖ Follow purchasing policy
- ❖ Playgrounds cost \$85,000 to \$300,000



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School Fees



FEEs CHARGED FOR OPTIONAL
SCHOOL PROGRAMMING



SHOULD NOT SUBSIDIZE A BASIC
PUBLICLY FUNDED EDUCATION



A CLASS ACTION LAWSUIT HAS
BEEN FILED REGARDING
STUDENT FEES



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School Community Councils (SCC)

- ❖ Revenue should be kept with either the school or a separate not-for-profit.
- ❖ If school managed, the SCC can support and provide guidance on the approved expenditures.
- ❖ Separate parent group bank accounts can lead to theft and fraud.



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Managing Public Perception



Expectation of standards and controls



Availability of information



Student fees



Instructional vs Optional Programs



Dollars are only spent on students



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Management Of School Funds

- ❖ A teacher collects money for a field trip. The trip is then cancelled due to a pandemic. The teacher sends a note home to parents that she is intending to purchase a digital projector with the funds if the parents agree; otherwise, the money will be refunded. This is an acceptable practice.

True or False

- ❖ A music teacher reaches an agreement with a music store whereby he will buy 10 guitars at a 10% discount for their class. As part of the agreement, the teacher will receive a “special deal” for the purchase of his or her own personal instrument. This is an acceptable practice.

True or False



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Management Of School Funds

- ❖ A teacher **collects \$300** from students to cover the cost of an activity to be held next week. Tomorrow is payday but the teacher **needs \$40** to pay a personal expense today and **borrow the \$40**. This is an acceptable practice. **True or False.**
- ❖ The school photographer **pays a 15% commission** on school pictures sold in the school, which is paid directly to the staff fund. The staff is considering how to spend those funds and the following suggestions are put forward. **Which of the following are not an acceptable practice:**
 - replenish the school fund
 - take the kids on a field trip
 - finance the staff yearend party
 - pay part of the cost of a seminar



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Management Of School Funds

A teacher who collects money from students and deposits those funds in his/her bank account for a few days for safekeeping purposes is guilty of theft under the criminal code.

True or False.



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Provincial Accountability



Every dollar collected at schools is reported on the school division financial statement



The revenue collected at the school is now part of the provincial financial statements



External and provincial auditor involvement



Performance audits



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Third Party Fundraising

Review policy for requesting grants and donations

Rule of thumb "Not helping students, don't do it"

3rd Party fundraising, legal to receive but not always ethical

Approved charity list



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Statutory Compliance

- ❖ T4 and tax implications for honorariums
- ❖ Goods and Services Tax (GST)- Rebate of 68%
- ❖ Safeguarding public resources
- ❖ Criminal code



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Liability and Insurance

Every school division has an insurance plan.

All staff are required to act reasonable and provide a level of care that exceeds parents.

Complete incident reports.

Do not accept liability but you can apologize that something unfortunate happened.



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COVID Keepers

- ❖ Electronic School Funds
- ❖ Sanitization
- ❖ Online Fundraisers
- ❖ Attendance Care Teams



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Summary

- ❖ Policies and accounting procedures are important.
- ❖ School administration should be removed from the centre of school fund administration.
- ❖ Inquire about training opportunities.
- ❖ Build relationships with other principals/VPs and ask lots of questions.
- ❖ Transparency to the school community will build trust with school administration.



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Questions?







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