GENERAL ACCOUNTING PRACTICES

Background

The School District is required to comply with public sector accounting standards (PSAS) and generally accepted accounting principles (GAAP) as determined by the Ministry of Education and Child Care in conjunction with the Comptroller General of the Province of British Columbia.

The School District is subject to an independent external audit on an annual basis. An aspect of this audit is to confirm compliance with PSAS and GAAP through which process documentation and accounting practice anchors this compliance.

Process compliance includes risk mitigation practices such that accounting transactions are appropriately documented and accurately recorded so that all transactions can be relied upon.

School based accounting activities are covered by *Administrative Procedure 511 Accounting Systems in Schools* but must also comply with the general intent and spirit of this procedure.

Procedures

1. Cash Receipts

   1.1. All monies received at the District Office shall be recorded on a log sheet by an individual from the Accounting Department who is not directly responsible for preparing the deposits or the bank reconciliations as soon as they are submitted to the office and receipts will be issued upon request. Cheques and bank drafts are restrictively endorsed for deposit.

   1.1.1. The log sheets and any payments collected during the day shall be secured in the vault overnight.

   1.2. Individuals that receive payments directly are required to deliver them immediately to the Accounting Department for recording compliance.

   1.2.1. Payments received for employee benefits will flow through the Payroll Department for appropriate recording and data entry.

   1.3. The Accounts Receivable Clerk shall retrieve the prior day's receipts from the vault, reconcile payments to the log sheet, and prepare a deposit for all monies received on a weekly basis as well as the last day of the month.

   1.4. The School District does not accept any large cash payments.

   1.4.1. Cash payments may be accepted for certain items (course fees, application fees, book deposits etc.), providing the amount does not exceed $500.

2. International Education Receipts

   2.1. Payments for International Education (IE) programs made by wire transfers or credit card transactions will be directly deposited into the School District bank account.

   2.2. Payments made by cheque, bank draft or cash will be forwarded to the Accounts Receivable Clerk for deposit to the School District bank account on a weekly basis as well as the last day of the month.

   2.3. Receipts will be issued for all payments from the IE database, a copy of which will be forwarded to the Accounting Department.

   2.4. Details of all transactions (debit, credit and other deposits) will be extracted from the IE database and forwarded to the Accounting Department weekly as well as the last day of the month whereupon the information will be formatted and uploaded directly into the general ledger.

   2.5. Payments recorded in the IE database will be reconciled by the Accounting Department to the payments received in the School District bank account. Discrepancies will be followed up with IE.

3. Continuing Education Receipts

   3.1. Online electronic payments for Continuing Education (CE) and related programs will be deposited directly into the CE School District bank account.

   3.2. Payments made by cheque or cash are to be deposited into the CE School District bank account by the CE Accounting Clerk on a weekly basis and on the last day of each month.

   3.3. All funds in the CE Bank Account will be automatically transferred into the School District's General Chequing Account on the last day of the month.

   3.4. Details of all transactions (debit, credit, and other deposits) will be extracted from the CE database and forwarded to the Accounting Department at the end of each month whereupon the information will be formatted and uploaded directly into the general ledger.

4. Facility Rentals Receipts

   4.1. Online electronic payments for Facility Rentals will be deposited directly into the Facility Rentals School District bank account.

   4.2. Payments made by cheque are to be deposited into the Facility Rentals bank account by the Accounts Receivable Clerk – Accounting Department.

   4.3. Payments made by Pre-authorized deposits agreements will be deposited directly into the Facility Rentals School District bank account.

   4.4. All funds in the Facility Rentals Bank Account will be automatically transferred into the School District's General Chequing Account on the last day of the month.

4.5. A journal entry summarizing all transactions recorded in the Facility Rentals Booking System is prepared at the end of each month by the Accounts Receivable Clerk – Accounting, reviewed by the Assistant Director – Finance, and entered into the General Ledger by the General Accounting Clerk.

5. Provincial Grants

5.1. The Province (Ministry of Education and Child Care) deposits grant payments directly into the School District's bank account on a bi-monthly basis, providing details of the payment by email.

5.2. The Accounting Department will ensure that a journal entry is prepared and entered into the general ledger in a timely basis to record the transactions in the appropriate accounts.

6. Accounts Receivable

6.1. All billing invoices from the School District to external parties are prepared and issued by the Accounting Department - Accounts Receivable Clerk.

6.1.1. Functional areas requiring billings to external parties must provide the billing details, (name, address, amount, supporting documentation).

6.1.2. The Accounts Receivable Clerk will prepare a monthly aged report on outstanding invoices and follow-up with the appropriate department as necessary for collection support.

6.2. When a school purchases goods or services through the Purchasing Department or a School District vendor account with the intention of paying for the goods or services with their school-based funds, the goods or services must be charged to the school's receivable account (1-000-000-7501-xxx) after which the Accounts Receivable Clerk will issue an invoice to the school.

6.2.1. Using this procedure, it should normally be possible to send the invoice out for goods and services within two weeks from the date of receipt of the supplier's invoice.

6.2.2. Schools are expected to make payment to the School Board office immediately upon receipt of invoice.

6.3. All billings for rentals and leases will be issued by the Facility Rentals Department.

6.3.1. Facility Rental Services will provide support for collection of overdue invoices.

6.4. From time to time, School District staff may be seconded to other organizations including the Ministry of Education and Child Care, universities, CTA, CUPE, BCTF and others. The district will invoice the organization the full cost of the employee's salary and benefits or per agreed terms.

7. Bank Reconciliation

   7.1. Bank reconciliations will be prepared monthly and be completed by the 5th of each month by the Accounting Department and by an individual not directly responsible for preparing or making deposits.
      7.1.1. The Assistant Director of Finance shall review and approve the Bank Reconciliation.

8. Accounts Payable

   8.1. All invoices must be approved for payment by an authorized individual and include appropriate account coding to an account that is appropriately titled for the transaction. See *Administrative Procedure 515 Signing Officer and Expenditure Authorization Signatory Levels.*
   8.2. Purchase Orders shall be prepared for all invoices as per *Administrative Procedure 514 Purchasing.*

   8.3. Invoices will be processed and payment made in accordance with the due date of the invoice. If there is no due date, the payment will default to a 30-day payment term.

   8.4. Only original invoices will be accepted for payment. Photocopies and statements are not acceptable payment documents.

   8.5. Vendors and suppliers are encouraged to provide banking information to allow for the electronic payment of invoices.

   8.6. All School District payments are required to be reported under the Financial Reporting and Transparency Act, requiring processing of all School District invoices to be paid through and recorded in the general ledger by the Accounting Department. Schools are prohibited from paying School District invoices through their individual school-based bank accounts and then requesting reimbursement from their Board based funds.

9. Recovery of Payroll Overpayment
   9.1. If upon discovering that an employee has been overpaid due to an administrative error (including timecard error), the Manager of Payroll or a Payroll Clerk will contact the employee to advise of the overpayment. If the employee is advised of the error prior to the next pay, the employee will be advised that the overpayment will be deducted on the next pay.

   9.2. If the employee is advised of the error after the next pay, the employee shall have the option to pay back the overpayment by cheque or payroll deduction any amount over $100 over two or more pay periods; however, the recovery period must be completed within the calendar year so that the T4 is accurate. The repayment schedule must be clearly established and followed,
   i.e. post-dated cheques or deductions as authorized and confirmed in writing by the Manager of Payroll by completion of Form 510-1 Payroll Department – Overpayment Deductions. The employee must be advised that any outstanding balance becomes payable in full upon termination of employment and if necessary, will be deducted from the final pay.

10. Non-Payroll Recoveries

10.1. Individuals are to avoid charging items of a personal nature to the School District. However, should this occur, the individual must make immediate payment to the School District through the issuance of a personal cheque, disclosing the transaction details, including supplier name, amount, and GST. Such transactions could include Long Distance Telephone Calls.

10.2. Individuals should not use the School District postage machine for personal mail. The postage machine may be operated only by a member of the Accounting Department.

11. Special Agreements

11.1. Funding Agreements for special purpose or targeted funding programs that are external to provincial grants are required to be provided to Corporate and Financial Services for review prior to execution to ensure that the elements of the agreement are in keeping with established School District business provisions and compliance capacity.

11.2. Invoicing will be completed in accordance with the agreement.

11.3. General Ledger accounts will be established as necessary to track program revenues and expenditures and particularly if external reporting is required.

11.4. External Reporting and Auditing of Expenditures will be performed by the Corporate and Financial Services Department in conjunction with the program manager.

12. Petty Cash

12.1. An impress petty cash fund shall be maintained by the Accounting Department. The Assistant Director of Finance shall arrange for one person in the department to have the responsibility of handling and balancing the fund.

12.2. The fund will be kept locked in a safe in the Accounting Department.

Reference: Section 65, 85, School Act
Form 510-1 Payroll Department – Overpayment Deductions

Last revised: June 2023

Reference:
AP511 – Accounting Systems in Schools
AP514 - Purchasing
AP515 – Signing Office and Expenditure Authorization Signatory Levels