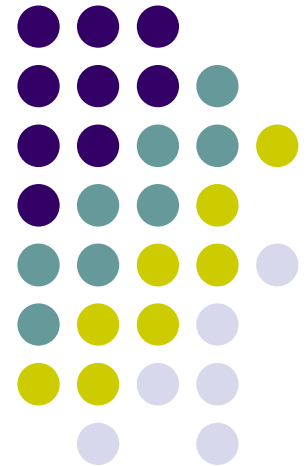


PAC Finances



Financial Controls and Practices for PACs

DPAC Presentation
October 16, 2017



Agenda



- PAC structure
- Role and responsibility of PAC Treasurer
- Fundraising
- Donations & Community Gaming Grants
- Financial Controls and Practices
- PAC Purchases and Taxes
- Questions?

Fraud charges laid after money for Surrey school playground goes missing

Alleged fraudster turned herself in on Monday

CBC News Posted: Jul 25, 2017 3:22 PM PT | Last Updated: Jul 25, 2017 3:22 PM PT



RCMP have laid charges after investigating the disappearance of funds from the account of the parent advisory council at École K.B. Woodward in Surrey. (Google Maps)

Surrey RCMP have laid charges after a Surrey elementary school reported money missing from the parents advisory council (PAC) bank account.

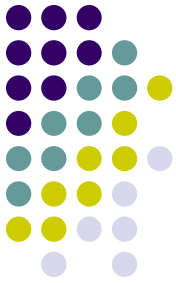
Thirty-one-year-old Tuyet Ngo of Surrey has been charged with defrauding the École K.B. Woodward Elementary PAC of more than \$5,000, theft over \$5,000 and using forged bank statements.

Ngo turned herself in on Monday after RCMP issued a warrant for her arrest. The school originally contacted police Sept. 16, 2016, when it reported \$35,000 in missing funds.

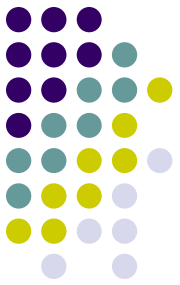
The money was raised to finance a new school playground. Undeterred, the community came together and raised the funds again.

"The victims in this incident were the students at K.B. Woodward and the surrounding neighbourhood," said Cpl. Scotty Schumann.

"It was heartening to see businesses, individuals and the K.B. Woodward school community come together afterwards to raise funds to cover the losses."

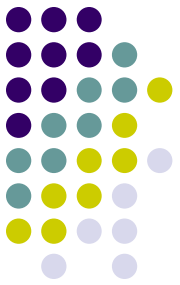


PAC Structure

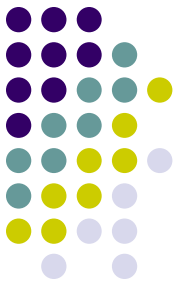


- School Act outlines Parent Advisory Council (PAC) purpose and structure
 - Board of Education approves the establishment of a school PAC
 - Only 1 PAC per school
 - PAC's are a separate but linked to the school
 - PAC's have bylaws and constitution
 - PAC officers must be elected by its members
 - Principal works with the school PAC on a consultative basis only and should not be a signing officer
 - Each parent group runs under the PAC umbrella (ie. Music or Grade 7 camp fundraising)

PAC Treasurer

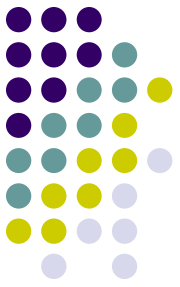


- Role of Treasurer is typically set out in the constitution and bylaws of the PAC
- In most PAC's the Treasurer is a signing authority but does not have to be
- Responsibilities should include:
 - Record all financial transactions of the PAC including receipt and disbursement of funds
 - Maintain and safeguard all financial books and records of the PAC
 - Prepare and report on financial activity and financial position of the PAC
 - Assist with PAC Budget preparation
 - Ensures financial controls and practices are in place



Fundraising

PAC Financial Activity



- PAC's are involved in fundraising activities
- Other PAC sources of revenue may include donations, and other grants including Community Gaming Grants
- PAC's may incur expenditures for fundraising, donations, purchase of equipment or other school resources
- All PAC fundraising activities should be reviewed and approved by the School Principal and/or the Board

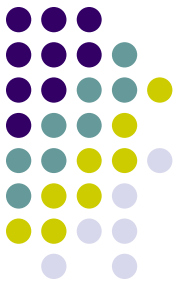
Fundraising

Burnaby School District Policy

Fundraising Activities in Schools Policy 3.16.00

“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.”

See policy guidelines – 3.16.01



Fundraising



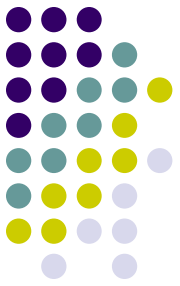
Some important points:

- Each group under the PAC umbrella with regards to fundraising must follow all District fundraising policies and procedures
- Any group running under the PAC umbrella must report fundraising as per the District fundraising policies and procedures
- Fundraising campaigns must be a school or school district sanctioned event. Principal approval is required
- Whereas gaming grants cannot be advanced to the school, other fundraising \$ net proceeds should be advanced to the school

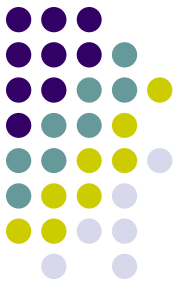
Fundraising

Some important points:

- The purpose of the fundraising campaign must be identified prior to the start of fundraising.
- Fundraising expenses can be paid out of the proceeds as approved by the PAC executive.
- Fundraised \$ can be applied to fees, events, or purchases but cannot be given to students, parents or staff.
- No deposits can be made to the Gaming Account other than the Community Gaming Grant and other Licensed Gaming Proceeds.



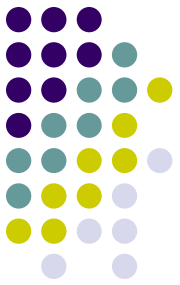
Fundraising



PAC funds could be held in up to four bank accounts

1. PAC Gaming Bank Account
2. PAC General Bank Account
3. School Bank Account in a PAC designated category
4. PAC funds held at the School District for special projects.

PAC Funds



Gaming

- Funds must be kept in separate Gaming Account
- Funds cannot be advanced to the school but may be reimbursed for purchases made by the school or district.
- Keep copy of invoice and payment details for audit purposes.

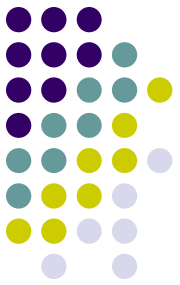
Other Fundraising

*Tax Receipt
Requested
(donations)*

- Funds **must** be deposited to the school (or district) and purchases made through the school
- PAC directed account in the school bank or in some cases at the district.
- No funds may be given directly to the PAC if a donation receipt was issued.

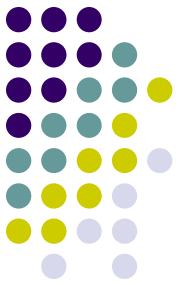
*No Tax Receipt
requested*

- Funds can be deposited in the PAC general account or in PAC category in the school account
- Funds should be advanced to the school.
- Purchases can also be made directly by cheque from the PAC account.



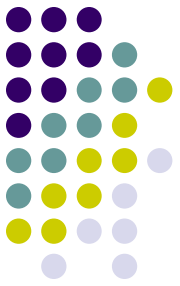
Donations

Donations



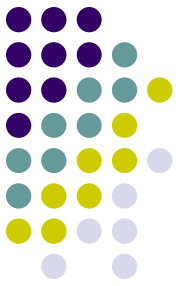
- Donation tax receipts can only be issued by the School District (which is a registered charity) for qualifying donations.
- Donations where a tax receipt is requested must be made payable to the **School or School District**
- **Donations that have received a tax receipt may not be forwarded to the PAC account (must stay in School or District bank)**
- Donation tax receipts for individual cash gifts below \$20 will not be issued

Donations



- The School Secretary or Bookkeeper will have the proper forms to request tax receipts.
- Donations made directly to the PAC, and deposited in the PAC General bank account, are not eligible for tax receipts.
- Non-cash Donations must be clearly suited for the furtherance of the educational purposes of the District and meet all District donation criteria.
- Donation policies see Board Policy #3.17 and #3.18

Online Donations with School Cash



- PAC can create a donation campaign offering parents and the community the opportunity to donate online. (School Cash Online)
- A Burnaby School District tax receipt is generated at the time of the online donation.
- Funds are deposited into a School District bank account and then redirected to the designated school.



PAC Community Gaming Grants

PAC Community Gaming Grants

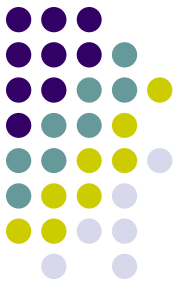


<http://www.pssg.gov.bc.ca/gaming/grants/pacdpac.htm>

PAC and DPAC Grants - overview

Eligibility	Parent Advisory Councils and District Parent Advisory Councils. Details provided in Section 3 of Community Gaming Grant - Guidelines (including PAC/DPAC grants) [PDF].
Grant Amount	PAC: \$20 per student DPAC: \$2,500 per year
Application	One application per year. No later than June 30. Submit online. April 1 – June 30
Processing Fee	None
Processing Time	Grants will be paid as soon as possible in September, no later than September 30

PAC Community Gaming Grants



- PAC's can NOT advance gaming funds to the school
- Community Gaming Grants are deposited directly into the PAC Gaming bank account only (cheques imprinted with “gaming account”).
- Grant funds must remain under the management and control of the PAC that receives them.
- PAC can reimburse the school or school district with gaming funds for approved purchases.
- PAC must retain supporting documentation for 5 years from end of fiscal year in which revenue was disbursed

Applying for Community Gaming Grants PAC/DPAC

✓ There is specific criteria surrounding the spending of Community Gaming Grants for PAC/DPAC



ELIGIBLE USES OF PAC / DPAC GRANT FUNDS

Grant funds must remain under the management and control of the PAC or DPAC that receives them. Funds cannot be used for, or transferred to, curricular purposes or to schools or school districts, or any of their activities or programs.

Parent Advisory Councils and Parent Organizations

PAC funding is intended to benefit students by enhancing their extracurricular opportunities:

- Student publications: newsletters, yearbooks
- Student competitions: writing, debating, chess, music
- Student computers: software, hardware, accessories
- Student societies: drama club, student society
- Student ceremonies: graduation, dry grad
- Student conferences or educational field trips within B.C.
- Uniforms and equipment for extracurricular activities
- Sports or playground equipment
- Awards and trophies
- Scholarships and bursaries for post secondary education (paid directly to students)
- Capital acquisitions directly benefiting students, such as playground equipment
- Student transportation and travel within B.C.
- Student transportation and travel outside B.C., where the student group:
 - o is representing its school as a result of merit achieved through organized competition
 - o is competing in a sport that involves cross border travel
 - o has been selected because of its level of creative achievement or success, or
 - o is entered in a recognized competition in which there is a formal evaluation or adjudication process

Grant funds to PACs and parent organizations may be accumulated for up to three years without prior approval from the branch.

District Parent Advisory Councils

DPAC funding is intended to benefit students by supporting activities that foster parental involvement in the schools and promote effective communication between schools, parents, students and the community. Eligible uses of DPAC funding include educational and promotional materials including British Columbia Confederation of Parent Advisory Councils (BCCPAC) membership fees, and travel for regular DPAC meetings.



Grant funds to DPACs must be disbursed within 12 months of receipt.

Application Form: <https://www.gaming.gov.bc.ca/grants/pacdpc.htm#two>

Gaming Licenses

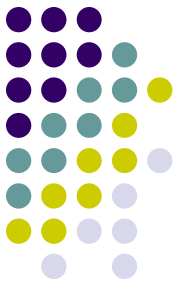


Fundraising with Gaming

- All gaming in BC requires a license. A license must be applied for in advance of the proposed event.
 - apply online at www.gaming.gov.bc.ca
- There are four classes of licenses:
 - **Class A, Class B, Class D**
 - **Class C**
- The class of license you'll want depends on how much money you expect raise, the value of your prizes and the price of your tickets.

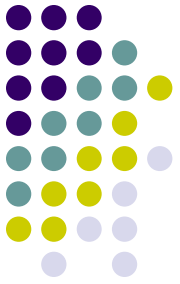
<http://www.pssg.gov.bc.ca/gaming/licences/>

Financial Controls & Practices



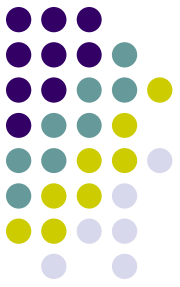
- Proper financial controls & practices need to be in place for PAC's:
 - Ensure accountability
 - Ensure funds are spent on intended purpose
 - Reduce the risk of error, misappropriation of funds, inaccuracy of reports
 - Reduce the risk of unauthorized and unsupported financial transactions

Types of Controls



- Basic – physical access, reconciling the bank regularly, keeping adequate books and records
- Supervisory – approval of expenditures, review of transactions
- External review or audit

Financial Controls & Practices



1. Financial Authority
2. Records Maintenance
3. Collection and Deposit of Funds
4. Disbursement of Funds
5. Financial Reporting

Financial Authority



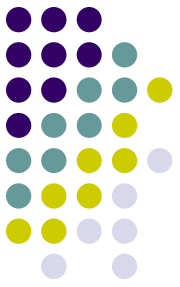
- Minimum of 2 PAC executives as signing officers
- Treasurer often is one of the signing officers
- School Principal should not be a signing officer of the PAC
- All cheques should be signed by the 2 signing officers before issuance (never sign your own cheque)
- PAC money should only be spent according to an approved budget or authorized by a motion
- Review signing authority on bank account as soon as turnover occurs.
- Know what you are signing for!

Records Maintenance

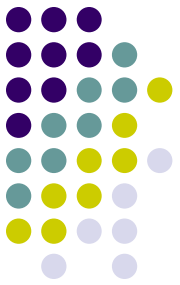


- All financial transactions must be recorded in a ledger that clearly illustrates both revenues and expenditures by activity or event and maintains a running total of the bank balance
- All financial records must be kept for a minimum of 7 years including bank statements, cancelled cheques, cheque stubs, deposit books, bank reconciliations, supporting receipts/invoices, accounting ledgers, financial reports and budgets

Collection and Deposit of Funds



- Collection of cash and cheques from fund raising activities should be recorded and deposited as soon as possible. Frequent deposits will help reduce the likelihood of theft or “missing” funds
- Collected cash should not be used to pay for expenses
- Cash from fund raising activities should be counted by 2 individuals (not the person making the deposit), recorded on a PAC event deposit form and signed off



Disbursement of Funds

- All payments should be made by pre-numbered cheque
- A petty cash fund is not recommended as it is too easy to lose track of expenditures
- All cheques should be signed by the 2 signing officers and only if the cheque is accompanied by original invoice/receipt or other sufficient backup documentation
- Blank cheques should **never** be signed and cheque stock should be secured by the Treasurer at all times

Balancing and Financial Reporting



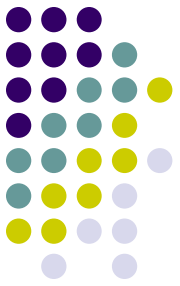
- Bank reconciliations should be prepared each month for both the PAC general account and the gaming account by the Treasurer and submitted for review to the PAC Chair (Chair should sign and date all bank reconciliations)
- Principals should also be receiving and reviewing PAC financials, bank reconciliations and bank statements
- Summary of revenues and expenses for each fundraising activity should be prepared on completion of the activity and submitted for review to the PAC executive
- At each PAC meeting, the Treasurer should report on the bank balances and a summary of revenue and expenditures. The Treasurer's report should be signed and dated by the Treasurer and approved by the PAC executive.



Balancing and Financial Reporting

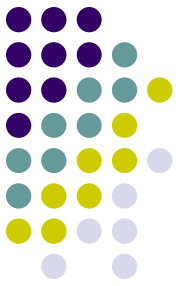
- PAC year end financial statements should be prepared by the Treasurer and submitted to the executive and membership for approval
- PACs may want to have their financial statements reviewed by an external accountant or conduct its own internal review of the financial statements.
- It is also recommended that the Treasurer assist in preparing an annual budget and provide explanations for revenue and expenditure variances from budget

PAC Annual Budget



- Reflects planning for the year and gives your council's executive and treasurer the authority they need to spend money at the appropriate time
- Without a budget, the executive must seek approval from the membership for every expenditure

PAC Annual Budget



Preparing a budget

- ✓ Determine your spending priorities
- ✓ Determine your expenses
- ✓ Estimate and plan your revenue
- ✓ Build consensus
- ✓ Pass budget via motion at a PAC/DPAC meeting
- ✓ Ensures the membership can have knowledge of planned spending and any variances from this plan

***All money raised should have a purpose.
All money kept should have a purpose.***

PAC Annual Budget



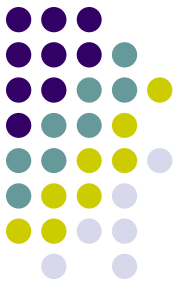
- An active organization will have unanticipated revenues and expenses so your budget can be amended accordingly
- Part of the treasurer's responsibility is to keep track of revenue and expenditures and alert the executive and membership to any problems with the budget
- Membership should vote on any amendments

PAC Purchases through District

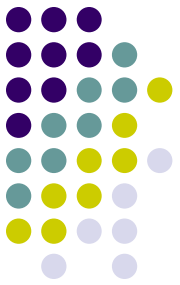


- School initiates requisition to District Purchasing department, stating the amount or % the PAC is paying
- Vendor ships goods to the school or District
- District pays the vendor invoice and the District invoices the PAC directly
- PAC writes cheque to District
(amount on District invoice will be less tax rebates)

PAC Purchases through School



- School initiates the purchase.
- Vendor ships goods to the school
- School pays the vendor invoice and the School invoices the PAC directly
- PAC writes a cheque to the school



Tax Rebates

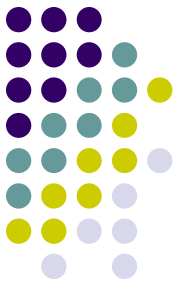
- Federal (GST) 5%
- Provincial (PST) 7%
- School Districts and Schools receive 68% rebate on GST
- On books and children's clothing the rebate is 100% of the GST
- There are no PST rebates for School Districts.

Tax Rebates

- Purchases paid directly from PAC bank accounts qualify for 100% PST rebate (PAC must apply)
- (no GST rebates)
- PAC Purchases made by the School District will qualify for
 1. 68% rebate on GST (or 100% for books)
 2. 100% rebate on PST (District will apply on behalf of the PAC only for purchases made at the district)
- Purchases paid directly from the School's bank account qualify for GST rebate. (no PST rebates)

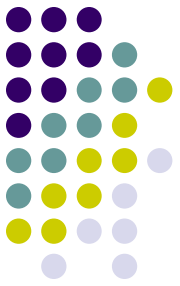


Acceptable Payment Methods



The Burnaby School District does not endorse the use of payment methods such as PayPal, Square, and other online systems that require the School or PAC bank account information entered, parent credit card information required, or individual parent direct access to the PAC or School bank account.

SchoolCash Online



- Burnaby schools offer parents the option of paying for some or all of the school's fees online
- eCheck payments only – no credit cards
- At the end of September 63% of the District's children had a parent signed up on the SchoolCash Online system.
- <https://burnaby.schoolcashonline.com/>

School Cash Online

[HOME](#)

[ABOUT US](#)

[GET HELP](#)

Paying school items just got easier!
Sign up to get started today.

What is School Cash Online?

School Cash Online is an easy to use, safe way to pay for your children's school fees.
[Learn more](#)



[Get Started Today](#)

[Sign Into Your Account](#)



Best In Class Security Gives You The Best Protection

CSAE 3416
Certified



SSAE 16
Certified

About KEV Group:

Over the past 15 years KEV has helped over 4,700 schools manage their cash in the easiest way possible.



How Does This Work?

It's simple! Just follow the 4 easy steps to make payments. Then see your payment history and



Why Use School Cash Online?

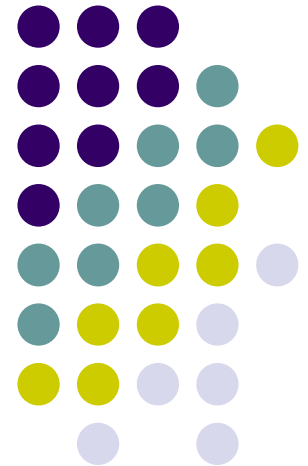
Convenient Make secure payments 24/7 from the comfort of your home

Easy To Use Online shopping with credit card, eCheck, or pre-pay your eWallet

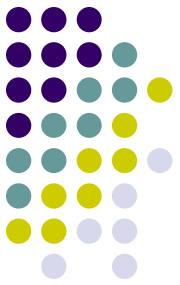
Safe Your child won't be carrying cash or checks to and from school

Saves Time Manage your school expenses and view payment history in one place

Questions ?



Links



- Direct Access Grant

<http://www.pssg.gov.bc.ca/gaming/grants/pacdpac.htm>

- Gaming Licenses

<http://www.pssg.gov.bc.ca/gaming/licences/>

- PST Refunds

http://www.sbr.gov.bc.ca/documents_library/forms/0355FILL.pdf

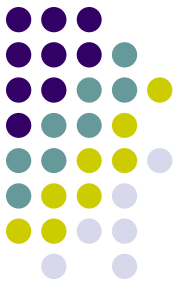
- BCDPAC Resources

<http://www.bccpac.bc.ca/resources/leadership-manual-tab-15-financial-management-pacs-and-dpacs>

- Burnaby School District policies

http://sd41.bc.ca/budgets_policies/manual/index.htm

SD41 Finance Staff Contacts



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- Matthew Mydske, CPA, CGA Manager, Finance and Budgets
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- Ishver Khunguray, CPA, CGA, Director of Finance
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