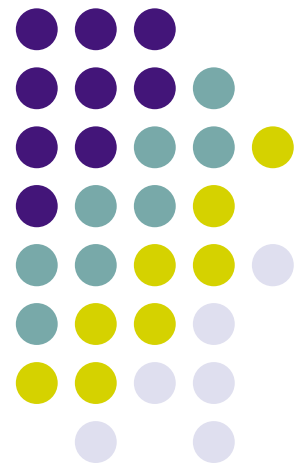


PAC Finances



Financial Controls and Practices for PACs

PAC Treasurers Workshop
October 23, 2013



Agenda

- PAC structure
- Role of the PAC Treasurer
- PAC Financial Activity
- Financial Controls and Practices
- Fundraising / PAC Direct Access Grant
- Donations and SchoolCash Online
- GST / PST
- PAC Purchases
- Questions?



PAC Structure



- School Act outlines Parent Advisory Council (PAC) purpose and structure
 - PAC's are a separate organization from the school district
 - PAC's have their own set of bylaws and constitution
 - Only 1 PAC per school
 - PAC officers must be elected by its members
 - Principal works with the school PAC on a consulting basis only and should not be a signing officer
 - Each parent group runs under the PAC umbrella (ie. Music or Grade 7 camp fundraising)



Role of 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



PAC Financial Activity

- PAC's are often involved in fundraising activities
- Other PAC sources of revenue may include donations, other grants including the Provincial direct access grants (gaming)
- PAC's may incur expenditures for fundraising, donations, purchase of equipment or other school resources

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 (3 recommended)
- 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
- PAC money should only be spent according to an approved budget or authorized by a motion
- 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 (other than the treasurer), recorded on a PAC event deposit form and signed off

Collection and Deposit of Funds



- The completed PAC event deposit form should be forwarded to the Treasurer (or designate) with the cash/cheques for deposit to the bank as soon as possible.
- The Treasurer should ensure that the original PAC event deposit form is attached to the stamped bank deposit slip as a supporting document



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)
- 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



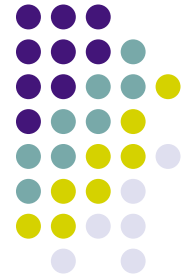
- PAC year end financial statements should be prepared by the Treasurer and submitted to the executive and membership for approval
- PACs may want to have their financial statements reviewed by an external accounting firm or conduct its own internal review of the financial statements. District Finance staff will also be available for a review at the PAC's request.
- 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

Fundraising



- PAC's are often involved in fundraising activities
- PAC revenue may include donations, grants, Provincial Direct Access Grants, and local fundraising.
- PAC funds could be held in up to four bank accounts
 1. PAC Gaming Account
 2. PAC General Account
 3. School Account in a PAC designated category
 4. There could also be PAC funds held at the district for special projects.



PAC Direct Access 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) . |
| Grant Amount | PAC: \$20 per student DPAC: \$2,500 per year |
| Application | <ul style="list-style-type: none">• One application per year.• Submit online or by mail. |
| Application Period | Apr 1 - Jun 30 |
| Processing Fee | None |
| Processing Time | Grants will be paid as soon as possible in September, no later than September 30. |

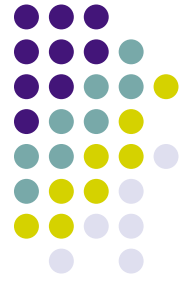
PAC Direct Access Grants



- Grants are deposited directly into the PAC Gaming bank account only
- Grant funds must remain under the control and management of the PAC
- PAC's may **NOT advance** gaming funds to the school
- Donations of gaming funds are not permitted
- The PAC may reimburse the School or the School District with gaming funds for approved purchases
- PAC must retain supporting documentation (5 years from end of fiscal year in which revenue was disbursed) in case of audit

Applying for Direct Access Grants PAC/DPAC

✓ There is specific criteria surrounding the spending the Direct Access Grants to 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, administrative costs 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, Section 7: <http://www.pssq.gov.bc.ca/gaming/grants/docs/appl-pac-dpac.pdf?>



PAC Gaming



Fund Raising with Gaming

- All gaming in BC requires a license ie. 50/50 draws or raffles. A license must be applied for in advance of the proposed event.

- There are four classes of licenses:
 - **Class A, Class B, Class C, Class D**

- 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/>



Other Fundraising

Other types of Fundraising may be done by the PAC

- If a tax receipt is required, the funds **MUST** be deposited in the School or School District bank account
- If no tax receipt is required, the funds may be deposited in the School bank account or the PAC General bank account.

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 kept in the PAC general account or in a school account
↓
- Funds may be advanced to the school.
↓
- Purchases can also be made directly by cheque from the PAC account.

Donations



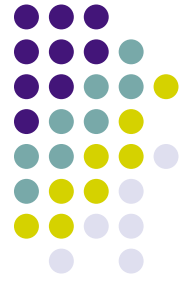
- Donation tax receipts can only be issued by the School District (which is a registered charity) for qualifying donations
- Donations where a tax receipt is requested must be made payable to the **School or School District** and **funds may not be paid back to the PAC account**
- Donation tax receipts for individual cash gifts below \$20 will not be issued
- Each school has a process in place to request tax receipts from the District



Donation Guidelines

- Donation policies see Board Policy #3.17 and #3.18
- Gifts must be clearly suited for the furtherance of the educational purposes of the District
- Fundraising campaign must be a school or school district sanctioned event
- Gifts do not qualify if they have a personal benefit to the donor

Online Donations



- PAC can create a donation campaign offering parents and the community the opportunity to donate 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
- Funds would then be disbursed from the school bank account (tax receipt guidelines)



SchoolCash Online

- Most 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 26% 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

School Cash Online

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[Home](#) > [Registration](#) > [Profile Tabs](#)

Registration

* field is required

Step 1



Step 2



Step 3

Password:

You must choose a password that is at least 8 characters in length, includes at least one upper case letter, one lower case letter, one number.

Confirm Password:

Security Question:

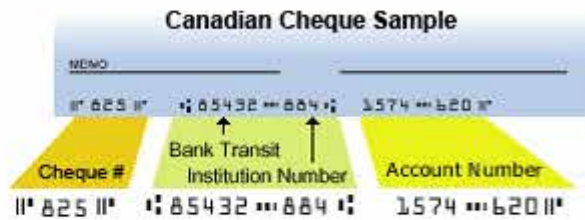
Security Question Answer:

Please email me when there is new school information, activities or events

Continue



Account Type: Checking Savings *



Bank Transit Number: *

(5 Digits)

Institution Number: *

(3 Digits)

Account Number: ⑈ *

(1 - 12 Digits)

Usually found before the ⑈ symbol. The exact location and number of digits may vary between banks.

Re-Enter Account Number: ⑈ *

Your Order

Lynda Kerr

Whistler Ski Pr Qty: 1
Parent Bus and Lift Ticket
January 25 - Parent #1 - Bus & Lift Ticket
Parent Bus, Lift and Rental Tickets

Total \$99.00 CAD

[Print Authorization](#)

[Expand Authorization](#)

I authorize the financial institution designated (or any other financial institution I may authorize at any time) to begin deductions as per my instructions for monthly regular recurring payments and/or one-time payments from time to time, for payment of all charges arising under my School Cash Online account(s). School Cash Online will provide 10 days notice of the amount of each regular debit. School Cash Online will obtain my authorization for any other one-time or sporadic debits.

Agree and have printed this authorization

Back

Continue

Tax



- Federal (GST) 5%
- Provincial (PST) 7%

- School Districts and Schools receive 68% rebate on GST
Exception – on books and children’s clothing the rebate is 100% of the GST

There are no PST rebates for School Districts.

Tax 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 PAC bank accounts qualify for 100% PST rebate (PAC must apply) (no GST rebates)
- Purchases paid directly from the School's bank account qualify for GST rebate. (no PST rebates)

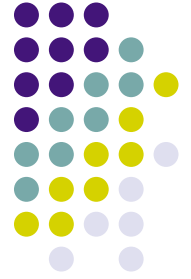


PAC Purchases through District



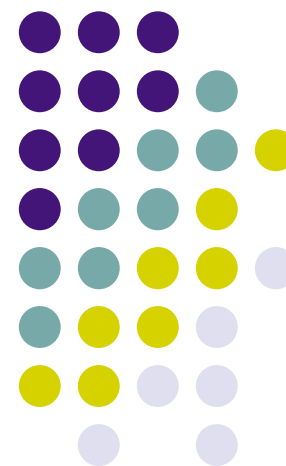
- **School** initiates requisition to District Purchasing department, stating the **amount or % the PAC is paying**
- Vendor ships goods to the school
- District pays the vendor invoice and the **District invoices the PAC** directly
- PAC writes cheque to District
(amount on District invoice will be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

Questions ?



Links



- Direct Access Grant

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

<http://www.pssg.gov.bc.ca/gaming/grants/docs/appl-pac-dpac.pdf?>

- Gaming Licenses

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

- PST Refunds

http://www.sbr.gov.bc.ca/documents_library/forms/0413pacfill.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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