

PAC Finances

Financial Controls and Practices for PACs

DPAC Presentation
October 15, 2018

Agenda

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

SD41 Finance Staff Contacts

- Jacqueline Dairon, CPA, CGA Manager, Financial Services jacqueline.dairon@burnabyschools.ca
- Joel Belli, Finance Officer joel.belli@burnabyschools.ca
- Matthew Mydske, CPA, CGA Manager, Finance and Budgets matthew.mydske@burnabyschools.ca
- Ishver Khunguray, CPA, CGA, Assistant Secretary Treasurer Ishver.Khunguray@burnabyschools.ca

Fraud charges laid after money for Surrey school playground goes missing

Alleged fraudster turned herself in on Monday

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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, but should not be a signing officer
- Each parent group runs under the PAC umbrella

PAC Treasurer

- Role of Treasurer is 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:
 - Record financial transactions
 - Maintain and safeguard records
 - Prepare and report on PAC finances
 - PAC Budget
 - Financial controls

Fundraising

Fundraising

- District fundraising policies and procedures must be followed by all groups
- Fundraising campaigns must be a school or school district sanctioned event. Principal approval is required
- 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 \$ cannot be given to students, parents or staff
- Burnaby School District Policy 3.16.00 - Fundraising Activities in Schools

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 Gaming Grants

PAC Community Gaming Grants

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

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

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.

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

PAC Annual Budget

PAC Annual Budget

- Planning for the year
- Executive and treasurer the authority 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

- Budget Amendments
- Tracking revenue and expenditures vs budget
- Membership should vote on any amendments

Donations

Donations

- Donation tax receipts can only be issued by the School District (which is a registered charity)
- Tax receipts issued for donations of \$20 or more

Donations

- Non-cash Donations – Gifts in Kind
- Donation policies see Board Policy #3.17 and #3.18 - School District portal

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.

Financial Controls and Practices

Financial Controls & Practices

Proper financial controls & practices

- Ensure accountability
- Ensure funds are spent on intended purpose
- Reduce the risk of error, misappropriation of funds, unauthorized financial transactions

Types of Control

- Basic Control - physical access, reconciling the bank, keeping adequate records
- Supervisory - approval of expenses, review of transactions

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 presents revenues and expenditures by activity
- Maintain a running total of the bank balance
- All financial records must be kept for 7 years
 - Bank Statements
 - Cheque stubs
 - Deposit books
 - Bank Reconciliation
 - Supporting Documents
 - Financial Statements
 - Budgets

Collection and Deposit of Funds

- Collections should be recorded and deposited timely
- Collections should be counted by 2 individuals(not the person making the deposit)
- Collected cash should not be used to pay for expenses
- Collections should be 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
- All cheques should be signed by the 2 signing officers
- Original invoice/receipt or other sufficient backup documentation must be provided
- Blank cheques should **never** be signed
- Cheque stock should be secured by the Treasurer

Balancing and Financial Reporting

- Treasurer to complete monthly bank reconciliations for the PAC general account and the gaming account. PAC Chair to review, sign and date all bank reconciliations
- Principals to receive/review 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

- Treasurer prepares Year End Financial Statements
 - Executive and membership need to approve
 - Principal to be provided a copy
- Review of Financial Statements
 - External review by Accountant
 - Internal review
- Treasurer to assist in preparing an annual budget and provide variance analysis

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

- Purchases paid directly from PAC account
 - 100% PST rebate (PAC must apply)
 - No GST rebates
- Purchases made by the School District
 - 68% rebate on GST (or 100% for books)
 - 100% rebate on PST (District will apply)
- Purchases paid directly from the School account
 - 68 % rebate on GST(or 100% for books)
 - No PST rebate

SchoolCash Online

- All fees are available for on line payment
- VISA, MasterCard, eCheck and MyWallet payments accepted
- <https://burnaby.schoolcashonline.com/>

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