

# Financial Practices for Home & School Associations

All Home & School Associations inevitably handle money and, in many cases, become actively involved in raising funds. The following guidelines are intended to clarify an association's and the executives' responsibilities for managing these funds and to offer some effective ways to ensure financial accountability.

## Association Accounts

- ❖ Every association must set up its own bank account, separate from any accounts held by the school, under the name of the Home & School Association.
- ❖ There should be at least three signing officers on any association account, all of whom must be OFHSA members-in-good-standing.
- ❖ Two signatures are required on all cheques.
- ❖ Signing officers should be determined each year by a motion passed at an association general meeting and recorded in the minutes of that meeting. This motion should be sent to the banking institution each year to update signatories on any association accounts.
- ❖ Monitoring of all accounts must be completed monthly by the association treasurer.

## Use of Debit and Credit Cards

- ❖ Associations may not use debit cards or credit cards to pay invoices. All association payments require two signatures: debit cards and credit cards only require one.
- ❖ If a vendor will not accept an association cheque, sometimes arrangements can be made to open an account with the business and have an invoice sent to the association or to allow payment by cheque in special circumstances.
- ❖ It is also possible for members to pay for items personally and then present the receipt for reimbursement by the association.

## Handling Association Funds

- ❖ All moneys collected by an association should be counted immediately, in the presence of at least two members, and deposited in the association account within three business days.
- ❖ Association membership fees should be paid to OFHSA promptly each year, accompanied by names and addresses of members. Additional memberships should be forwarded as purchased throughout the year.
- ❖ All deposits must be entered into the association account receipt book and the deposit slip, should be stapled into the receipt book.
- ❖ Association funds must only be deposited into association bank accounts.
- ❖ The president must review all deposit amounts on a regular basis.
- ❖ The counting of funds and signing of cheques should be carried out in a discrete manner, away from any commotion.
- ❖ Never pre-sign any cheques on the Home & School Association accounts.

## Record Keeping and Reporting

- ❖ The treasurer is responsible to produce and present an up-to-date financial statement at every meeting of the association (general and executive).
- ❖ The association's up-to-date financial statement must be printed for all members and signed by the treasurer and president. The recording secretary must keep a copy of each meeting package for the annual financial verification.
- ❖ The treasurer should keep all records of invoices, cheques written, receipts submitted for reimbursement, and deposits.
- ❖ All association financial records must be kept for at least 7 years.
- ❖ All expenditures of money by the association, not included in the approved association budget, should be covered by a motion and included in the minutes of the executive or general meeting of the association.
- ❖ The treasurer is required to bring the bank records for the association accounts to every association meeting (Bylaws for Associations, Article V, 5)
- ❖ The executive (especially the association president) must oversee the actual financial records of the association at every meeting, comparing the financial statement with the actual bank records (or passbook) at each meeting.
- ❖ All discrepancies must be explained and dealt with as soon as they appear.
- ❖ The treasurer must ensure that an annual financial statement, August 31<sup>st</sup>, is prepared and that all the association financial records are submitted for verification (see "Verification of Financial Statements").
- ❖ The association's end of year financial statements, and the verification letter, must be sent to the Home & School Council President by October 31<sup>st</sup>. Lone associations should send their verified financial statements and the verification letter to the OFHSA office.

## Spending Association Funds

- ❖ The executive at every association must prepare a budget itemizing the expected income and expenditures for the year.
- ❖ The proposed or draft budget should be distributed in advance of the general meeting during which it will be discussed and voted on.
- ❖ The budget must be approved by the membership at a general meeting, either early in the school year or at the end of the year in preparation for the next year's work.
- ❖ Include discussions with the principal and staff in preparing the association budget to help align the activities of the association with the direction of the school.
- ❖ The association's approved budget is what gives the executive permission to spend the funds of the association and it should reflect all large expenditures that are planned.
- ❖ Whenever large expenditures not included in the budget are being considered, another meeting of the association members must be held to get their approval for these expenditures.
- ❖ Include in your budget the legitimate costs to bring representation from your members to the OFHSA Annual Meeting to ensure the wishes of your members are made known.
- ❖ Send a copy of your member-approved budget to your Home & School Council President (or to the OFHSA office if a Lone association) each year.