

	School Policy:	Financial Accountability
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	Contact Person:	Head of School

STATEMENT

The Board of Governors (“the Board”) of Strathcona-Tweedsmuir School (“the School”) recognizes that financial accountability of operating and capital funds that flow through the organization is essential to ensure the trust of our stakeholders and the integrity of services that we offer to our students and school community.

As such, the Board delegates authority to the Head of Strathcona-Tweedsmuir School (“the Head of School”) to ensure protocols are in place which comply with the *Private Schools Regulation (AR 127/2022)* and which follow the accepted accounting standards issued by the Accounting Standards Board and detailed in the appropriate handbook of the Chartered Professional Accountants of Canada, CPA, and reflect the most effective practices of other independent schools in Alberta and Canada to ensure transparent and ethical use of all the School’s (society’s) funds. Furthermore, the Board is committed to revising these protocols annually in light of all recommendations flowing from its audited Annual Financial Statements.

The Head of School will ensure that the most current version of this Financial Accountability Policy is made publicly available before the start of each school year.

PROCESS

The School is committed to ensuring that appropriate internal controls are in place for effective stewardship of the organization’s finances, including:

A. **Segregation of duties** in which the four following areas will be separated:

- a. **Authorization or Approval for Expenditure Approval.** See STS’s [Designated Financial Expenditure Authority Policy](#). For journal entries entered by the AP or AR Specialist, the Controller shall review and approve. For journal entries entered by the Controller, the Chief Financial Officer (“CFO”) shall review and approve.
- b. **Custody of Assets** (will be separated from accounting to enable a good audit trail). There should be minimal cash transactions; however, in the event cash is offered as payment, two employees shall be present to receive, count and sign off on the amount of cash. Such cash shall be deposited no later than the day after receipt. Equipment and supplies shall be the responsibility of the ordering employee/department adhering to the designation financial expenditure authority policy.
- c. **Recording Transactions** shall primarily be performed by the Accounts Payable Specialist and Accounts Receivable Specialist. Journal Entries may be performed by the AP Specialist, AR Specialist or Controller.
- d. **Reconciliation/Control Activity.** The Controller shall be primarily responsible and accountable to the CFO for monthly reconciliation of accounts. Only the Controller or CFO may approve electronic payments through the Royal Bank of Canada (RBC) portal. The Head of School and CFO shall both sign and initial e-transfers over \$25,000.

B. **Capital Assets** – ensuring that all capital assets are properly accounted for by ensuring that there is:

- a. **Capital Assets** are items that are meant to last longer than one year, cost a minimum of \$1,000 and normally consist of equipment, furniture or leasehold improvements.
- b. **Authorization or Approval for Expenditure.** The CFO, in consultation with the Head of School, shall present annually to the Finance Committee and Infrastructure & Risk Management Committee, the proposed capital asset budget no later than May 31 for the following school year. The Board of Governors shall pass a motion no later than May 31 approving the recommendation of both Committees.
- c. **Authorization or Approval for Disposal.** See STS’s [Disposal of Equipment and Personal Property of STS Policy](#).
- d. **Verification of Title to Asset Purchased.** Ownership shall occur once the asset is paid for and delivered to STS.
- e. **Periodic (at least annually) Audits of Fixed Asset Inventories.** As part of the valuations process STS undertakes yearly, inventory shall be provided by the department utilizing the asset to the CFO as requested each spring.

C. **Reimbursement of Expenses.** See STS’s [Employee Expense Reimbursement Policy](#) and [Business Travel Expenses Policy](#).

D. **Investments.** See the [Short-Term Investment Policy](#).

The Board is furthermore committed to ensuring that the role of the School’s Senior Managers, with respect to its financial matters, provide the following:

- A. Regular financial reports to the Board including variance explanations.
- B. Make financial decisions and allocate resources according to the Board’s strategic plan, annual budget, mission, and mandate.
- C. Comply with all legislated and regulatory requirements.
- D. Transparency and accountability for all financial transactions.
- E. Appropriate oversight over all financial operations.

CONFLICT OF INTEREST

With respect to conflicts of interest, the Board of acknowledges and supports that the employer relationship with employees, volunteers, delegates, students, and third-party services is founded upon trust and commitment to the Boards’ mission and activities. Individuals must therefore remain cognizant of the fundamental principles of board governance, and in particular, those of neutrality and impartiality. Individuals must refrain from undertaking any activities that are perceived to be or are in conflict of interest with the governing body’s mission or activities.

COMPENSATION

Finally, The Board is committed to ensuring, in matters relating to the compensation of senior managers of the funded school, follows *Private Schools Regulation AR 127/2022 Section 22(1) e*. Total compensation must also be differentiated between those amounts grant funded and those amounts funded by other means as outlined in section 27 to 32 of the *Private Schools Regulation AR 127/2022*.

LEGISLATIVE CONNECTIONS

- *Alberta Education Funding Manual - Reporting Requirements Section J*
- *Income Tax Act (Canada)*
- *Alberta Private Schools Regulation (AR 127/2022)*
- *Education Grants Regulation (AR120/2008)*