

ACCOUNTING STANDARDS

Background

The Division maintains financial records in accordance with the generally accepted accounting principles (GAAP) as set out in the Chartered Professional Accountants (CPA) Handbook. The Board of Education further follows the public sector accounting standards (PSAS) as set out by the CPA Public Sector Accounting Board (PSAB). As well, the accounting treatment incorporates reporting requirements set by the Saskatchewan Ministry of Education.

Procedures

1. Responsibility

- 1.1 The Superintendent of Business is responsible for maintaining and managing the Board's accounting standards and making recommendation to the Director of Education regarding the allocation of Division proceeds.

2. Restricted Funds Planning

- 2.1 Internally restricted reserves for operating and capital expenditures may be established on recommendation to the Board. The purpose of the restricted surplus is to fund:
 - 2.1.1 School budget allocation carry forwards
 - 2.1.2 SCC budget allocation carry forwards
 - 2.1.3 School generated funds
 - 2.1.4 Ongoing Board approved programs
 - 2.1.5 The purchase of land
 - 2.1.6 New buildings
 - 2.1.7 Renovations and additions
 - 2.1.8 Furniture, equipment, and supplies
 - 2.1.9 Major building repairs and,
 - 2.1.10 Replacement of equipment.
- 2.2 Externally restricted reserve funds are those provided by government transfer with stipulations that have not been met by the Division.
- 2.3 Any restriction on prior years' surplus is to be shown in the audited financial statements of the Board of Education.
- 2.4 The Internally Restricted Reserve will be approved by Board motion annually, following review of the annual financial statements. The balance in the Internally Restricted Reserve will be maintained within a reasonable percentage of the limits set out in 2.9.

- 2.5 The Superintendent of Business is responsible to identify the internally and externally restricted reserves each year and to identify and recommend amounts to access if needed, consistent with the purpose of the reserve as described in this policy.
- 2.6 The Superintendent of Business is responsible to ensure that the internally and externally restricted reserves are properly recorded, maintained, and used as described in this policy.
- 2.7 The financial statements will record the Internally and Externally Restricted Reserves per the recommendations of the SASBO Accumulated Surplus Reporting Manual.
- 2.8 Surplus unrestricted operating funds are used to fund the Internally Restricted Reserve. The Board of Education may also direct a specific source of revenue, such as donations, fundraising or special grants, to be allocated to the reserve.
- 2.9 The Board of Education will aim to retain the following operational reserves balances.
 - An unrestricted surplus between 0.5% and 2% of the annual operating revenue.
 - Internally restricted reserves between 1% and 10% of the annual operating revenue excluding operating reserves designated for capital projects and school generated funds.
 - No limit on externally restricted reserve balances as those categories are managed by way of an agreement between the Board and another organization.
 - If a Board retains operational reserve levels that exceed the recommended levels, a plan would be approved by the Board to spend those additional dollars in the future.

3. Trust Funds

- 3.1 The Superintendent of Business is authorized to receive donations for the purpose of establishing scholarships and student bursaries. Funds are to be held in trust in the Prairie South School Bursary Fund for the purposes intended.
- 3.2 Where donations are received the Superintendent of Business is to make every effort to comply with the conditions specified by the donor.
- 3.3 The Superintendent of Business may recommend to the Director of Education that funds be held in trust by the Board for purposes other than student scholarships and bursaries.

Reference: Sections 85, 87, 286 Education Act
Public Accounts Regulations

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