



## **RESOURCE: School Fundraising, School Councils and School Fundraising Societies**

**Presented at the General School Councils Meeting – March 28, 2017**

**The School Division, Board of Education, Superintendent and Principals have an obligation to record and report on all school fees and other revenues collected from parents and students at our schools.**

- This is required by Alberta Education and should be provided in our Audited Financial Statements that are also available to the general public.
- Over the last several years, Alberta Education has asked for much more detail (schedules to the financial statements and definitions and other requirements attached).
- We have communicated this to our Principals and are working with them to ensure we are properly recording this information.

### **Other Issues:**

- Liability of Directors and need for liability insurance.
  - Guidance on fundraising activities to be done by fundraising society, and done at the school.

### **Attached Resources:**

1. **Alberta Education Requirements on School General Funds (SGF)**
  - types of revenue
  - fundraising societies
2. **PWSD Fundraising Policy (IL)\***
3. **PWSD Schedule of Fee Revenue (August 31, 2016 - Financial Statements)**
4. **Alberta Education Requirements - Schedule of Fee Revenue**
5. **Alberta School Councils Resource Manual**
  - Fundraising and accounting procedures, fundraising society
6. **Lloyd Sadd (Insurance) presentation to Alberta School Councils**
  - role of school councils
  - school councils vs. fundraising societies
  - insurance coverage
  - risk
7. **Lloyd Sadd School Fundraising Societies Insurance**
8. **PWSD School Councils Policy (JC)\***
  - policy changes approved in principal
  - transition
  - feedback

\* For the most up-to-date version see the PWSD Policy Manual on the web page: <http://www.pwsd76.ab.ca/Resources/policies>

## APPENDIX E: SCHOOL GENERATED FUNDS

School Generated Funds (SGF) represent funds collected which have arisen from school-based activities. Full disclosure requires that revenues, expenses and the fund position as at fiscal year-end be reflected in the Audited Financial Statements.

SGF are funds raised by activities that come under the control and responsibility of school management (usually the principal and/or those reporting to him/her). It is the responsibility of school jurisdiction management to develop, maintain, and oversee adherence to appropriate policies and procedures to ensure monies related to SGF are received, receipted, recorded and safeguarded and that proper records are maintained.

The two types of revenue that are collected at the school level are classified as follows:

- Funds collected at the school level, such as textbook rentals, rent revenue, lease revenue and lunch program fees that are remitted to central office;
- Monies collected and retained at the school, such as yearbook sales, graduation fees, field trips and monies received from unincorporated parent advisory groups.

In either situation, revenues and expenses are reported by program and by object on the Statement of Operations and Schedule of Program Operations **on a gross basis**.

To facilitate the purchase of a capital asset with SGF, the asset should be purchased by the school jurisdiction and recorded as an asset in the Statement of Financial Position. The school that will be using the asset should reimburse the school jurisdiction from their SGF account, and either recognize the revenue from deferred revenue (if third-party stipulations exist) or utilize operating reserves if the revenue was previously recognized. In addition, the expenditure should be recorded, representing the cost of the asset.

SGF should be recorded and tracked separately from School Jurisdiction funds but disclosed together on the core statements as follows:

- SGF cash and bank accounts (previously reported as school generated assets) should be classified with Cash and Cash Equivalents;
- Unspent EXTERNALLY RESTRICTED SGF must be reported as Deferred Revenue;

This should be facilitated through a line-by-line consolidation of the SGF assets, liabilities, revenues, and expenses with that of the school jurisdiction.

In accordance with PSAS, revenues must have clear stipulations established by external parties on funds in order to be deferred. Internally restricted revenues do not qualify as liabilities as outlined in either PS 1000.45 or PS 3200.04. For example, if a school uses revenue from its cafeteria to fund a food services program through policy or board motion, it may not treat the revenue as deferred since it does not meet the definition of liabilities in accordance with PSAS. The school must recognize the revenue even though food services program expenses were not incurred. The school will be required to set up an operating reserve to comply with its policy but cannot defer the revenue.

Although accounts are reported with school jurisdiction controlled accounts on the audited financial statements, SGF must continue to be recorded and reported separately. Summary note information must be disclosed in the Notes to the Financial Statements (*Appendix A, Sample Note 21*) which discloses revenues and expenses (by type) as well as the opening and closing balances. These balances must agree with the Deferred Revenue balance detail as indicated in *Appendix A; Sample Note 9*. The lower portion of Note 21 segregates the balance between recognized (internally restricted revenue residing in accumulated surplus – operating reserves) and unrecognized (externally restricted revenue residing in deferred revenue).

## **E.1 FOR WHAT PURPOSES MAY SCHOOL JURISDICTIONS FUNDRAISE?**

Alberta Education supports the Alberta School Board Association policy advisory on fundraising (which states that fundraising should not be used for instructional purposes or basic education items, those being items required to complete a core course) and encourages boards to implement and enforce board policies consistent with that policy advisory. School boards should ensure that fundraising activities are only for enhancements or extras (beyond what is required for a student to successfully complete school) that parents and staff want for their schools. School jurisdictions may not fundraise for instructional services or basic instructional needs for ECS-Grade 12.

In order to demonstrate benevolent stewardship; philanthropy; and citizenship, some schools encourage students to fundraise for local charities. In these cases, sales may be recorded as fundraising (under either the instruction OR external services programs), while the expenses would be recorded under the same program and the applicable expense object. Both the costs related to the fundraising as well as the disbursement to the charity should be recorded as expenses to offset the revenue.

## **E.2 FOUNDATIONS (INCLUDING FUNDRAISING SOCIETIES)**

The principles of accountability, control and ownership (as between the school and a third-party group such as a Society) are the factors that determine whether a specific activity is recognized under SGF. In recognizing these funds in the Audited Financial Statements, the distinction between control of and ownership by the school jurisdiction must be made. School jurisdictions must carefully consider the ramifications of each option when organizations are created for the purpose of facilitating fundraising activities. Please refer to PS 1300.07 – PS 1300.24 for guidance as to whether the financial position and results of such fundraising bodies should be reported.

If an external organization has been established to facilitate fundraising, school jurisdictions must assess the nature of the particular relationship between itself and the external organization. If school jurisdiction management and/or employees are in positions of leadership or control (e.g. comprise the majority of directors, sole/joint bank signing authority, etc.), then the organization's activities should most likely be reported as SGF. Employees must not have voting authority with the Society when the employee's sole purpose is to support the school.

It is important that the principles of accountability and of control and/or ownership be applied. The *CICA PSA Handbook* supports this principle. Not-for-profit organization reporting guidelines state that control exists when the continuing power to determine operating, investing and financing policies exists without the cooperation of others. Disclosure of foundations and other related parties, whether consolidated or not, should be disclosed in the significant accounting policy note (See Sample Note 2a in Appendix A). A description of the relationship, year established, purpose, and other relevant information should be disclosed as well as accounting treatment.



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## **POLICY II – School Sponsored Fund Raising**

The Board acknowledges that citizenship, learning and financial benefits can accumulate through appropriate fund raising activities.

### **PURPOSE**

To provide a transparent fundraising process to ensure accountability.

### **GUIDELINES & PROCEDURES**

1. The safety of participants is to be the first priority in any fund raising projects.
2. Financial implications for parents and the community must be considered.
3. School based fund raising must be directed toward the support of:
  - a) a school authorized activity or project;
  - b) a capital project authorized by the Superintendent;
  - c) a charitable cause.
4. Fund raising projects should have an employee coordinator or liaison with administration.
5. Acceptable forms of fund raising include the:
  - a) sale of a usable product to the consumer;
  - b) provision of a worthwhile service to the consumer;
  - c) receipt of funds and/or services.
6. No Division employee or volunteer involved in a fund raising activity shall be in a position to profit financially from that activity, either directly or indirectly.
7. Refunds from fund raising activities shall not be issued.
8. Fund raising must be compatible with the following:
  - a) Funds raised should complement – not replace – public funding for education;
  - b) Decisions on fund raising activities and the expenditure of fund raised dollars shall be made in consultation with school administration. Fund raising goals shall be developed in advance of the fund raising activity and documented and communicated to the community and students involved.
  - c) Contingency plans for both additional revenue and additional costs should also be documented. The contingency plan shall not include reimbursement of activity fees either directly or indirectly to students or parents of students involved.
  - d) Participation in fund raising activities shall be voluntary;
  - e) No student should be excluded from an event or program because the parents did not contribute to a voluntary fund raising activity. The parent may be required to make an appropriate contribution to the event or program;

- f) Schools shall maintain a record of revenue and expenditures for all school sponsored revenue generating projects and keep on file a financial statement of each project.

## **REFERENCES**

**Cross References:** links to

[HGCG – Off- Site Activities](#)

**Legal Reference:** School Act RSA 2000 Section 60

ASBA Policy Advisory on Fund Raising

[The Alberta Teachers' Association Code of Professional Conduct](#)

**BM#:** 053-97; 20080925.1003(approval in principle); 20090205.1005; 20161027.1008

**Next Review:** 2019-2020

**SCHEDULE 8**

 School Jurisdiction Code: 177

**UNAUDITED SCHEDULE OF FEE REVENUES**  
for the Year Ending August 31, 2016 (in dollars)

	Actual 2016	Actual 2015
<b>FEES</b>		
Transportation fees	\$4,380	\$3,636
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$504,006	\$420,025
Technology user fees	\$21,614	\$9,315
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$124,512	\$97,568
Fees for students from other boards	\$0	\$2,204
Tuition fees (international & out of province)	\$1,000	\$13,751
Kindergarten & preschool	\$32,451	\$31,990
Extracurricular fees (sports teams and clubs)	\$187,651	\$188,957
Field trips (related to curriculum)	\$16,253	\$94,987
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$39,682	\$40,912
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
<b>TOTAL FEES</b>	<b>\$931,549</b>	<b>\$903,345</b>

*\*PLEASE DO NOT USE "SCHOOL GENERATED FUNDS" AS A CATEGORY*

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2016	Actual 2015
Cafeteria sales, hot lunch, milk programs	\$414,935	\$304,355
Special events, graduation, tickets	\$140,128	\$86,483
Student travel (international, recognition trips, non-curricular)	\$201,576	\$181,589
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$196,795	\$91,347
Adult education revenue	\$450	\$900
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
<b>TOTAL</b>	<b>\$953,884</b>	<b>\$664,674</b>



## **Schedule 8: Unaudited Schedule of Fee Revenue (continued)**

The purpose of this schedule is to capture all charges to parents of students (both mandatory and optional), whether they are recorded as fee revenue or other sales and services / other revenue. *Please DO NOT report fees as "School Generated Funds" as this does not provide adequate detail regarding the intended use.* Instead, allocate these funds into the appropriate categories provided, such as instructional supplies, field trips, lunchroom fees, etc.

Generally speaking, fees are those charged to parents and students (as defined by the *School Act*), given the course load and activities selected by students. Adult education; child care & before and after school care; extra-curricular student travel; or sales of optional supplies or services (which are optional for all students) should not be reported as fees but as other sales and services. There may be some grey area or unavailability of data, in which case professional judgement and estimates may be required.

The totals must agree with the Schedule of Program Operations – "Fees" revenue. An error message will appear in row 34 (2015/2016) and/or 35 (2015/2016) if totals do not agree.

Fees are classified as follows:

- **Transportation fees:** Amounts charged under section 51 (3) of the *School Act*, which are for regular bus services to and from school. This includes the sale of public transit passes to qualifying students;
- **Basic instruction supplies including text books and course materials:** Amounts charged under section 60 (2) (j) of the *School Act*. These fees are specifically for basic instructional materials and supplies and do not include fees for alternative programs or optional courses;
- **Technology user fees:** Amounts charged for use or rental of computers, iPads, or other electronic devices;
- **Alternative program fees:** Amounts charged under section 21 (4) of the *School Act*;
- **Fees for optional courses:** Amounts charged for additional materials or supplies associated with such course options as band, fine arts, or Career and Technology Studies;
- **Fees for students from other boards:** Fees received from parents & students from other school jurisdictions within the province of Alberta (excluding Lloydminster). Note that fees received directly from other jurisdictions should be classified as Other School Authorities revenue on the Statement of Operations;
- **Tuition fees (international & out of province):** Fees received from parents of unfunded students;
- **Kindergarten & preschool:** Fees received from parents for unfunded Early Childhood Services (ECS) students, including full-day kindergarten but excluding daycare (note that these will be separated in 2017 with Preschool being classified as a "Sales & Service" rather than "Fees" and Kindergarten remaining as a fee, but separated as fees due to regular half-day kindergarten ("Basic instructional supplies," etc.), or full day or progressive Early Childhood Services (ECS enhanced program fees).
- **Extracurricular fees:** Fees for participation in clubs, sports teams, students unions, and other non-curriculum programs designed to broaden students' scholastic experience;
- **Field trips:** Fees collected for transportation, admission, accommodation, and other charges associated with curriculum-related field trips (note that field trips will be called activity fees in 2017);
- **Lunch Supervision Fees:** Fees charged for student use of supervised lunchroom facilities. For consistency, all lunch supervision fees should be classified as fees, whether optional or mandatory. However, if lunch supervision fees are being charged, please select from the "drop down menu" in cell "D21", whether the fees are mandatory, optional, or both to any select class of students. For example, if all students who use school transportation are assessed a lunchroom fee, these are considered mandatory (for a certain group of students). If any students have the option of paying for and using the lunchroom for a fee, select "(optional)". If you have two groups of students who use a supervised lunchroom, select "(mandatory & optional)." If no lunch supervision fees are charged, leave the field blank.

## **Schedule 8: Unaudited Schedule of Fee Revenue (continued)**

- **Locker Rental; Locks; Student ID; Uniforms; Library, Student Union and Fitness Fees:** A number of common fees charged to all parents involve the receipt of goods by the students. The general rule is that if certain fees are assessed to all students or any students taking a certain course or academic stream, they are considered fees, even if something is received in return (such as a uniform, or student ID) (this category has been re-named "Non-curricular supplies & materials for 2017);
- **Other Fees:** Fees related to education programs not described or covered by the preceding fee categories should be put in lines 23-30. Please put a description in column C of each "Other" line being used. Please avoid using the terminology "Other" or "School generated funds" as detailed descriptions are required for government reporting purposes. Descriptions are pre-populated, based on those used in the August 31, 2015 Audited Financial Statements. Both descriptions and comparative amounts may be over-riden if any prior period adjustments or restatements exist.

Additional disclosure is required to identify any funds, **collected from parents of funded students**, that are recorded under Other Sales & Services / Other Revenue. For information purposes, please disclose this information in the second schedule. Please estimate amounts to the best of your ability. It will be difficult, if not impossible, to segregate amounts received from students and parents vs. staff and community for such items as food sales or athletic / art events, so you may wish to apply an estimated participation factor or include the full amount if sales to other parties is small or negligible. The total will not agree with any other figures in the audited financial statement package. Some examples include:

- **Cafeteria Sales, Hot Lunch, & Milk Programs:** Proceeds from the sale of nutritional programs or food sales are to be classified as "Other Sales & Services";
- **Special Events, Graduation Ceremony, and Ticket Sales for Events:** Sales for graduation; art or athletic events are considered sales;
- **Student travel:** Costs associated with non-curriculum related student travel such as arts or athletic events; international travel or other special trips in recognition of outstanding achievement are considered "Other sales & service" (Note that Student travel will be reclassified as a fee in 2017 and called Non-Curricular Travel);
- **Sales or rentals of other supplies/services:** Sales of goods & services available for which parents have the option of purchasing from the school, such as yearbooks, school pictures, clothing items, calculators, etc. are generally considered Other sales & service revenue;
- **Adult education revenue:** Education services provided to adult students should be classified as Other sales & services. Only amounts collected from parents are required to be included on the unaudited schedule;
- **Child Care and Before and After School Care:** Amounts paid by parents for child care as well as before and after school care for students are considered Other sales & services.

## **Schedule 9: Unaudited Schedule of Differential Funding**

This schedule is included in the AFS package once again in order to facilitate ongoing review of Alberta Education's funding methodology to better align funding with desired outcomes. This unaudited schedule compares funding received by schools & school divisions with additional **incremental** expenditures. The intent is to compare funding with incremental expenses incurred by jurisdictions for the outcomes intended from these programs.

- First Nations, Metis & Inuit (FNMI);
- Early Childhood Services Program Unit Funding (ECS PUF);
- English as a Second Language (ESL, or English Language Learner); and
- Inclusive Education.

**Funded Students:** For the first three programs, please report the number of Alberta Education funded students that benefit from the stated program. For FNMI, please also provide the number of Federally funded students.



P. 7 -Fundraising and Accounting Procedures A school council cannot be incorporated under the Societies Act or Part 9 of the Companies Act. Although a school council can fundraise, it cannot undertake fundraising endeavours that require a gaming license from the Alberta Gaming and Liquor Commission, such as bingos, casinos or raffles. Some school councils that choose to fundraise, have banking procedures with signing authority and maintain records on the use of fundraised dollars. Some school councils choose to fundraise and use the school's accounting procedures. Other school councils choose not to fundraise. While each school council may decide what is best for itself and the school community, it is recommended that school councils use the accounting procedures already established at the school and approved by the school board/charter board. When the school's accounting procedures are not used, it is necessary to check with the school jurisdiction to determine its policies in relation to the recording and reporting of fundraised money.

P-38 School councils and fundraising societies are completely different entities. School councils are important forums through which members of school communities play an important role in school improvement planning. Fundraising societies are groups of people who have incorporated under the Societies Act or Part 9 of the Companies Act. Under current legislation, school councils may fundraise but cannot register as fundraising societies. By appreciating the similarities and differences between school councils and fundraising societies, school councils can improve their effectiveness to better meet the needs of the school community.

p-40 Fundraising Societies Fundraising societies or companies have a broad scope in their specific purpose, membership structure and functions. Whether the society/company's goal is to support the school band and sports teams or to enhance school facilities and extracurricular programs, the members are responsible for establishing a collective purpose and criteria for membership as part of the process of applying for incorporation. A fundraising society or company is a self-governing legal entity, under the Societies Act or Part 9 of the Companies Act, with the authority and responsibility to make necessary decisions to manage its operations and activities. The society or company will have a board of directors, chosen according to the by-laws/operating procedures established and maintained Section 3 Roles and Responsibilities in School Councils Section 1 School Councils Regulation Section 1 School Act – Section 22 Alberta School Council Resource Manual 41 Alberta School Councils' Association 2006, revised 2007 by the society, or company. The by-laws/operating procedures of a society or company must be filed and approved by Alberta's Corporate Registry. Besides the members who serve on the board of directors, society, or company, membership must be defined in the by-laws/operating procedures.

P-41 Should school councils fundraise? Raising funds to enhance the learning environment for students may be performed by both school councils and fundraising societies. Fundraising is not an expected activity of school councils, whose main role is advisory. Many feel that fundraising limits the ability of a school council to operate effectively because it splits the focus and divides energies. The school council,

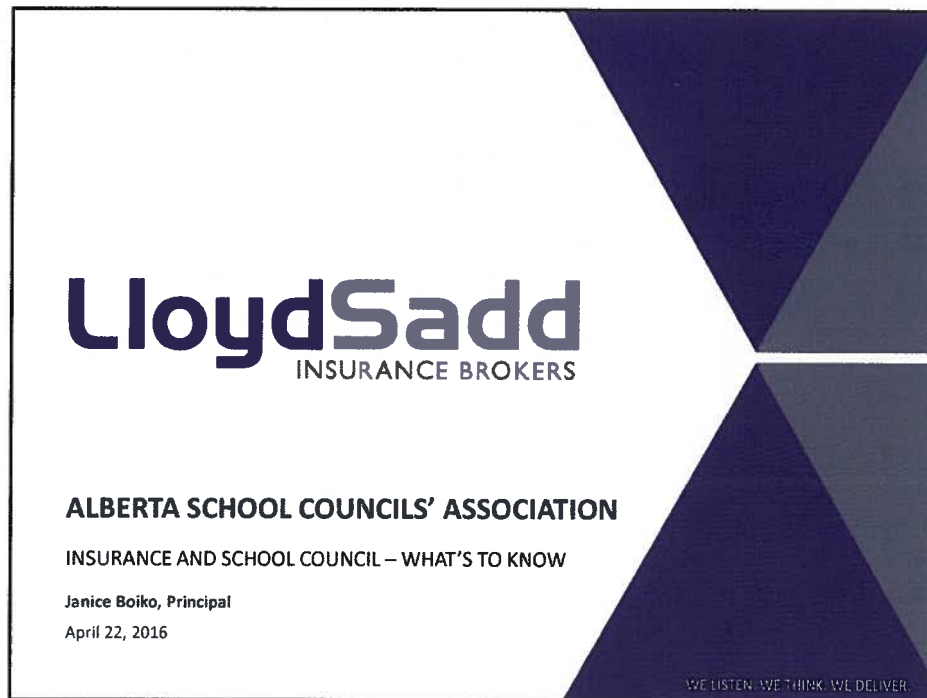
as a whole, must decide the extent to which its purpose is likely to be enhanced or compromised as a result of fundraising efforts. Under the School Councils Regulation, —no school council shall incorporate under the Societies Act or Part 9 of the Companies Act. This means school councils that choose to fundraise are limited to types of fundraising that do not require incorporation. School councils are ineligible to apply for a gaming license, for fundraising purposes. It is important to check with the principal and school jurisdiction office to determine the process to issue charitable receipts for school council fundraised dollars. A school community may express its fundraising preferences through one of four basic models:

**Model 1** An active school council that conducts very little, if any, fundraising. No fundraising society or company exists. Any expenses incurred by the school council are covered out of the school's operating budget, perhaps under a separate budget category. The school council's focus is the effectiveness and well-being of the school; its goals do not include supporting the school through fundraising.

**Model 2** An active school council that takes responsibility for all fundraising within the school and there is no incorporated society. This school council would be limited to using only those types of fundraising that do not require the organization to incorporate.

**Model 3** An incorporated society does all the fundraising. They may also choose to organize activities or programs related to their specific goals.

**Model 4** Both a school council and a fundraising society raise funds, within the parameters of their respective legislation. School council members must decide the extent to which the school council's purpose is likely to be enhanced or compromised as a result of fundraising efforts. The school council can use a structured planning process to determine its goals related to fundraising. Members who serve on a school council can also serve on a fundraising society, and vice versa, unless the bylaws of either organization prohibit it.



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**ALBERTA SCHOOL COUNCILS' ASSOCIATION**  
INSURANCE AND SCHOOL COUNCIL – WHAT'S TO KNOW

Janice Boiko, Principal  
April 22, 2016

WE LISTEN. WE THINK. WE DELIVER.



## Today's Agenda

- » School Councils
  - Establishment
  - Role
  - Protection
- » School Councils vs. Fundraising Societies
- » Insurance Coverage
- » Risks and Exposures
- » Questions



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## School Councils in Alberta

- » Created in 1995 under the School Act – Section 22 (Education Act – Section 55)
- » Mandatory for all public and charter schools
- » Collective of:
  - Parents
  - Teachers
  - Principals
  - Secondary students (high schools only)
  - Community members

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## School Councils in Alberta

### » Purpose → Advisory Role



- » provide advice and counsel to the principal and to advise the board on education matters such as
  - School's overall mission, philosophy, policy, rules and goals
  - School jurisdiction policies – school fees, transportation issues and school council policies
  - School budget / school jurisdiction budget

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## School Councils in Alberta

### » Purpose → Advisory Role



- School volunteers
- School use by the community
- Facility renovations and improvement projects
- Ways to report student achievement results
- Guidelines and principles for the school resource allocations
- School programs and extracurricular programs
- School services to help improve learning – reading specialists and guidance counsellors

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## School Councils in Alberta

### » Purpose → Advisory Role



- Safety issues that affect students including student code of conduct and bullying issues
- School calendar and adjustments in school hours
- Suggested criteria for hiring a school principal
- Graduation and other school celebrations
- Fundraising and methods of generating additional revenue

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## School Councils in Alberta

- » It is not the School Councils' primary role to:
  - Fundraise
  - Lobby
- » It is not the School Council's role to become involved in:
  - School governance
  - Employment issues
  - School management
  - Listening to complaints

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## School Councils in Alberta

- » School Council members must avoid...
  - Commenting on terms and conditions of individual employment contracts for school staff
  - Discussing performance or conduct of individual students, teachers, other employees, parents, community members during activities related to school councils
  - Discussing matters clearly designated to another person or group through legislation



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## School Councils in Alberta

### » School Councils must avoid...

- Developing policies that deviate from school board policies
- Taking on the role of teacher, principal or school board
- Fundraising activities that require a gaming license from the Alberta Gaming and Liquor Commission – bingos, casinos or raffles



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## School Councils in Alberta

### » Insurance

- School councils are provided protection against legal liability under the school board's insurance program.
- Education Act – Section 54 states that the board must maintain insurance that indemnifies the board, its employees and **school councils**.

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## School Councils in Alberta

### » Insurance

- A liability policy issued to a school board provides protection to the school board, its employees, its school council and to other interests such as volunteers who are acting under the direction of and within the scope of their duties on behalf of the board.
- If the activity is outside of the school board's control, then no coverage is provided for that activity.
- A board is not obligated to assume responsibility for an activity independent of a school even if the school might be the beneficiary.

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## School Councils in Alberta

### » Insurance

- Parents and community members that are part of the school council are afforded insurance coverage while they are "working within the scope of their duties for the board as assigned by an authorized board representative"
- Example: If a school council (which includes the Principal) organized and participated in a fundraising activity ...would insurance apply? Or not?

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## School Councils in Alberta

### » Insurance

- If the school council members involve themselves in a fundraising or other activity on their own, with out the permission of the Principal and outside of the control of the school or board...would insurance apply? Or not?
- If the school council decides to hold a year end party that included alcohol to which is against Board policy and the Principal would not sanction but held it anyway...would insurance apply? Or not?

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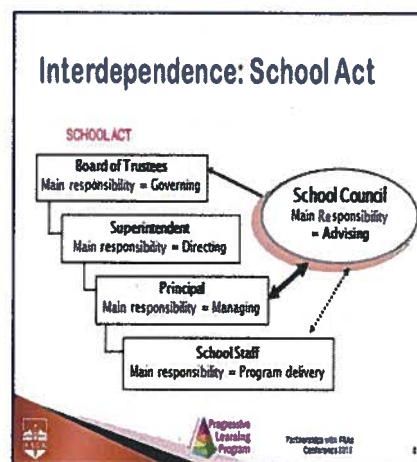
## School Councils vs. Fundraising Societies

### » Distinct difference

#### **School councils:**

Created under statute and provide a means for parents to work together with the school board and school administration.

Their primary role is ADVISORY



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## Fundraising Societies

### Fundraising Societies:

Are incorporated under the Societies Act or Part 9 of the Companies Act.

Both provide a means for parents to provide additional financial resources and support to the school.

Their primary role is FUNDRAISING



## Fundraising Societies

### » Fundraising Societies

- Parent organizations acting independently of the school and the school board require their own liability insurance.
- Insurance packages are available through the brokers that provide risk and insurance coverage to the school boards that your schools are part of.

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## Fundraising Societies

### » Three key insurance coverages

#### 1. General Liability Insurance



- Liability coverage for claims arising out bodily injury or property damage to third parties that arise from your events.
- Non-owned automobile liability coverage for the organization if a member using their automobile on behalf of the organization becomes involved in an automobile accident resulting in a third party claim against the organization.
- Tenants legal liability insurance is for any damage caused by the parent organization to any space that is rented or leased (in their care, custody and control) by them.

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## Fundraising Societies

### » Three key insurance coverages

#### 2. Directors and Officers Liability

- Volunteer directors and officers, as well as members of the parent organization are provided personal protection against wrongful acts or alleged wrongful acts, misstatements, omissions, neglect or breach of duty while acting on behalf of the organization.

#### 1. Crime Insurance

- Provides coverage in the event of a financial loss arising out of a dishonest or fraudulent act of a volunteer or member.
- Crime coverage provides coverage for theft, burglary, robbery and forgery from outside the organization.

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## Fundraising Societies

### » Additional insurance

#### 4. **Property Insurance**

- Provides physical damage coverage for the asset of the parent organization.

#### 5. **Safe Grad Insurance**

- Many School Boards do not get involved with the activities related to Safe Grads where the events are arranged, organized and hosted by parents committees or student groups.
- This coverage provides liability insurance against possible claims for bodily injury and/or property damage that may arise out of the operations of the Safe Grad Program.

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## Fundraising Societies

### » Additional insurance

#### 6. **PAL – Party Alcohol Liability Insurance**

- This program provides protection when lawsuits are brought against individuals, organizations who are holding reception type events in a rented facility where alcohol is being served.
- Examples: Weddings, banquets, socials, dances, cocktail parties and Christmas parties.

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## Fundraising Societies

### ▶ Alberta Gaming and Liquor Commission



Alberta Gaming &  
Liquor Commission

Choices Albertans can trust.

**REQUEST TO AMEND USE OF GAMING PROCEEDS**

#### ▪ Use of proceeds from fundraising

##### Administrative Costs – Maximum 10%

Administrative costs that are necessary to the delivery of a charitable or religious program or service are eligible uses of gaming proceeds. Approved administrative expenditures shall normally be limited to a maximum cumulative total of 10% of gaming proceeds earned the previous calendar year. Administrative costs that are eligible for approval include: telephone, stationery, postage, bulletins, newsletters, website costs (internet service provider), which communicate information to the public about the group's community service programs, space rental for regular membership meetings and storage, office rent and Director's liability insurance. Administrative costs related to the internal administrative activities of the group are not eligible uses of gaming proceeds. These costs that are not eligible for approval include: food and beverage; salaries, wages or honorariums for administrative duties; non-gaming accounting fees, and legal fees.

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## Fundraising Societies

### ▶ Alberta Gaming and Liquor Commission

#### ▪ Use of proceeds from fundraising

10% of the proceeds from your gaming proceeds can be used for administrative purposes

Insurance is considered under the "administrative expenses"

When completing your form for the AGLC indicate that you have a Directors and Officers Insurance Liability Package. They have agreed "package" means more than just Directors and Officers Insurance – it means the whole insurance package which includes:



- General Liability
- Directors and Officers Liability
- Crime Insurance

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## School Councils & Fundraising Societies

### » Risk Management

- When planning activities or events – consider the risk tolerance of the school / school board.
- Confirm with the school how the activity or event will impact the school's insurance program.
- Review with the school if the activity or event is considered a high risk activity, an excluded activity or an activity that is beyond the schools risk tolerance appetite.

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## Parent Groups & Fundraising Societies

### » Risk Management

- Ultimately if there was an accident or injury during an event the parent organization and the school / school board would be named in a lawsuit.

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## Risk Management: Risks to Consider

### ► 15 Passenger Vans

- They are higher, wider and longer than most cars.
- There is an increased risk because of the vehicle's centre of gravity is very high.
- NHTSA's policy is that pre-school and school aged children should not be transported in these vehicles due to safety concerns.



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## Risk Management: Risks to Consider

### ► Inflatable / Bouncy Castles

**We strongly recommend against using these at any school event**



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## Risk Management – Risks to Consider

### » Other high risk activities to check with your school about:

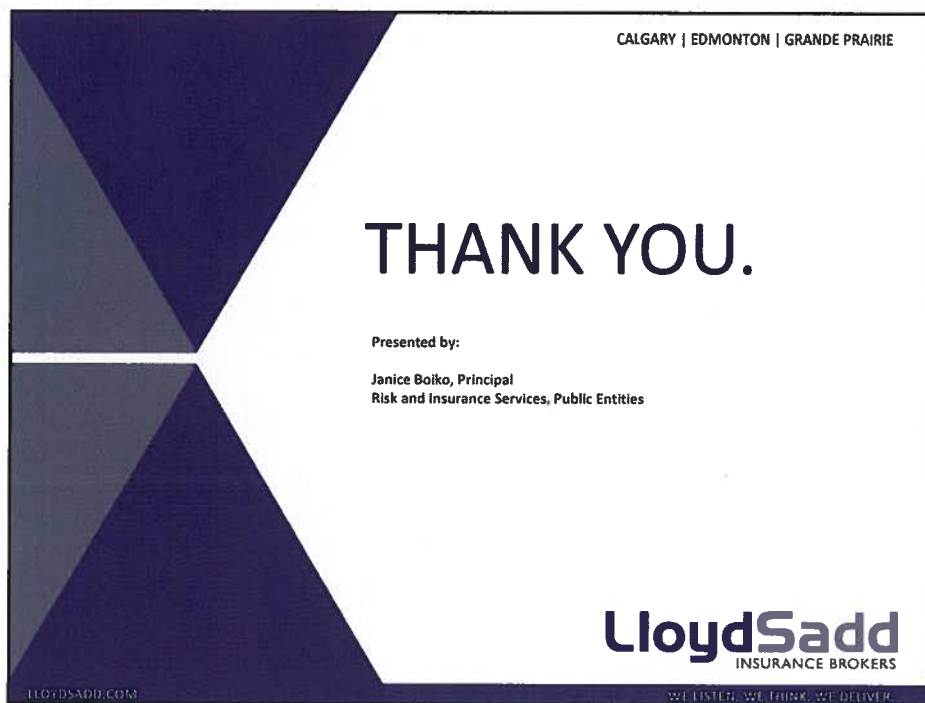
- Dunk tanks
- Diving into or sliding on foam or mud
- Hot air balloon rides
- Paint-ball warfare games
- Horizontal bungee events
- Events where alcohol is served
- Fireworks



*Questions?*

*We Listen. We Think. We Deliver.*

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## Parent Groups and School Fundraising Societies Insurance Program

The role of parents within the school community has developed through the years to become an integral part of the overall educational system. Parents are now expected to provide meaningful parental involvement in decisions that affect the school and its operation.

Parent involvement can either be as a member of the school council, a parent group or school fundraising society. It is important to know the distinction between them with respect to roles, responsibilities and liability exposures.

School councils were created under statute in 1995 as being mandatory for all public and charter schools in Alberta. They assume an advisory role in local education matters that range from academic programs to school policies and budgeting.

Parent groups and school fundraising groups are distinctively different from school councils. School councils cannot be incorporated under the Societies Act or Part 9 of the Companies Act. They cannot undertake any fundraising endeavors that require a gaming license from Alberta Gaming and Liquor Commission, such as bingos, casinos or raffles.

School councils are provided indemnity under the school board's insurance coverage. The School Act states that a board must maintain an insurance policy or policies that indemnify the board, its employees, and school councils.

An incorporated school parent group or fundraising society has a broader scope with respect to its purpose, membership structure and function. They are a self-governing legal entity, which is separate from the school board and who has the authority and responsibility to make necessary decisions to manage its operations and activities.

Incorporated school parent groups and fundraising societies are not provided indemnity under the school board's insurance program. As a separate legal entity, they require their own insurance policy to ensure the organization, members and directors are afforded coverage in the event of an accident or loss due to third party bodily injury and property damage, theft of cash or allegations of breach of duty or wrongful acts by the directors and volunteers.

# Parent Groups and School Fundraising Societies Insurance Program

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If your school belongs to an ASBIE school board member we are pleased to offer an insurance program for Parent Groups and School Fundraising Societies.

## Coverage Definitions

### CONTENTS INSURANCE

Insurance for property damage to any miscellaneous contents or equipment that the group or society owns.

### EXTRA EXPENSE INSURANCE

Insurance for additional costs in excess of normal expenses that an organization incurs to continue operations while its property is being repaired or replaced by a covered loss.

### CRIME INSURANCE

Crime coverage provides protection to the organization from direct financial loss due dishonest and fraudulent acts committed by members. It also provides coverage from theft, burglary, robbery, forgery, fraud

### COMMERCIAL GENERAL LIABILITY INSURANCE

Insurance for claims arising from bodily injury or property damage to Third Parties due to events and activities hosted by the group or society.

### DIRECTORS AND OFFICERS LIABILITY INSURANCE

Insurance to provide protection to the volunteer directors and officers, as well as other volunteers for any breach or alleged breach of duty or wrongful act while acting on behalf of the organization.

## Program Summary 2016

### COVERAGE A: CONTENTS

Replacement Cost

\$1,000 Deductible

Premium Rate: .499 / \$100

### COVERAGE B: EXTRA EXPENSE

\$25,000 Limit

Premium Rate: \$50.00

### COVERAGE C: CRIME

\$50,000 Employee Dishonesty

\$ 5,000 Inside / Outside Robbery

\$ 1,000 Money Orders & Counterfeit Paper  
Currency

\$ 1,000 Depositor's Forgery

Deductible: \$500.00

Premium Rate: \$86.00

### COVERAGE D: COMMERCIAL GENERAL LIABILITY

\$5,000,000 Liability Limit

\$2,000,000 Abuse Limit

\$ 250,000 Tenants Legal Liability

\$2,000,000 Non-Owned Automobile

\$5,000,000 Personal Injury Liability

\$5,000,000 Advertising Liability

\$5,000,000 Incidental Medical Malpractice

Premium Rate: \$190.00

### COVERAGE E: DIRECTORS AND OFFICERS LIABILITY

\$1,000,000 Limit

\$2,000,000 Limit

Premium Rate: \$175.00 (\$1,000,000 Option)

\$250.00 (\$2,000,000 Option)

For more information please contact Lloyd Sadd Insurance.

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## **POLICY JC – School Councils**

**The Board recognizes the importance of School Councils and will provide support and resources to enable them to fulfil their advisory function.**

### **PURPOSE**

To encourage and enable communication and collaboration between parents, the community and the school in support of education.

### **GUIDELINES & PROCEDURES**

1. The Board encourages and supports the important contributions that parents make toward the education of students.
2. The Board will ~~allow~~provide the School Council access to timely, accurate and publicly available board information including board policies and minutes of board meetings.
3. The Board will provide membership in the Alberta School Councils' Association (ASCA) for all of its School Councils.
4. The Board may provide financial support for two representatives from each PWSD School Council to attend the Annual General Meeting (AGM) of the ASCA. This support covers reasonable costs associated with registration and accommodation. In addition the Board provides group transportation to the AGM. The Board will also support professional development (PD) for School Councils to a maximum of \$5,000 annually division-wide (i.e. presentation for multiple schools). The Board may provide annual grants to School Councils and support their involvement in Alberta School Councils' Association activities. Funding provided to School Councils is for the purpose of School Council operations and related parental education opportunities.
5. For any school year, the first meeting of the school council must be held within 20 school days after the start of the school year or as specified in the bylaws of the school council (School Council Regulation section 15).
6. School Councils are expected to provide the Board with annual reports prior to October 15 of each year. Reports may be submitted electronically. The report will consist of ~~Financial statements from the previous year, and~~ either a copy of the minutes from the previous year or completion of the Annual School Council Report ([Exhibit 1](#)).
7. Copies of the minutes of each school council meeting must be maintained at the school and available for access by the public and the Board.

### **REFERENCES**

**Cross References:** links to

Exhibit 1 – [Annual School Councils Report](#)

Exhibit 2 – [School Councils Timeline for Principals](#)

[Policy FL - Closure of School or Division Within School](#)

[Policy GC – Professional Staffing](#)

[Policy HGAC - Religious Education](#)



[Policy HIAF - Instructional Resource Fees](#)

**Legal Reference:** [School Act](#) RSA 2000 Section 22  
[School Council Regulation](#) 113/2007  
[Personal Information Protection Act](#)

**BM#:** 182-07, 105-08; 20141127.1009 [Approved in principle #20170223.1010](#)

**Next Review:** 2017/2018