

School Councils and Not-for-Profit Corporations

Many parent groups in schools have incorporated under the **Societies Act** or Part 9 of the **Companies Act** in order to raise money for sporting events, bands and/or playground equipment. Many of them also have obtained registered charitable status under the federal **Income Tax Act**.

The powers of the school council are defined in the **School Act** and further in this handbook. **School parents may incorporate as a society under the Societies Act; however, this society functions either independently of a school council or as a sub-committee of the council.**

Fundraising societies, such as the band parents society, may have a specific role, for example, to raise funds for new instruments and/or band trips. There is no intent to stop the work of these societies. However, where the sole parent advisory council also is incorporated, the members of the society must determine what their relationship will be to the new school council and the working relationship between the two. **Amendments to the society charter may be necessary. A society dealing with fundraising does not have any legal status as a school council and can not influence school matters.**

It is possible that the school council and the society executive could be made up of the same people. The council and the society must maintain two distinct and separate sets of by-laws and two separate sets of minutes--one for the school council and the other for the society. Decisions made by the two groups are made according to their respective by-laws. In this type of model, it is crucial that the school council by-laws address the relationship between the two groups.

Q. School parents in our school have incorporated as a society under the Societies Act. What is the relationship of this society to the school council?

A. The status and responsibilities of a society are determined under the **Societies Act**. A society does not have any legal status as a school council. **The School Councils Regulation (s.10) prohibits incorporation.** The school council together with the society in the school must decide on the working relationship—will the society function independently of the school council or as a sub-committee of the school council? Both groups will have to review their by-laws and make any amendments necessary based on the decisions made.

SCHOOL ADVISORY COMMITTEE

If there are fewer than five school parents in attendance at the first establishment meeting or if an establishment meeting is not successful in establishing a school council, the principal may establish an advisory committee.

However, a new establishment meeting will have to be called no later than 60 days after the beginning of the next school year.

Excerpt from School Council Resource Manual

This comprehensive manual was developed as a resource to help school council members effectively fulfill their role. It is available online at <http://www.education.gov.ab.ca/parents/scm.pdf> or <http://www.ahsca.ab.ca/pdfs/SCRManual07.pdf>

Financial Management

The *School Act* sets out the legislative framework for school councils to determine their operating procedures. A school council's bylaws/operating procedures may address issues, such as signing authority, maintaining financial records and reporting the information.

On a school council, signing authority may be held by two or three of the executive members. Funds raised belong to the school community and council members should pay attention to existing school board policies regarding signing authority.

One of the *school board's* responsibilities is to monitor and account for school-generated funds, so it is important for school councils and fundraising societies to understand how much, if any, of their fundraising efforts fall into this category.

Both school councils and fundraising societies are responsible for ensuring ethical and accountable stewardship of the organization. They hold responsibility for public trust. This means the organization is accountable to the community for its success in carrying out its purpose and in meeting its ethical and legal obligations.²

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8. (d) THE TREASURER (if required)

The treasurer keeps financial transactions of the school council, reports to the school council and complies with school council and school board policies.

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