

Section 9: Funding Sources

9.1 Overview

Schools receive funding from a variety of both government and non-government sources. Most school funding is received from the Department.

9.2 Student Resource Package (SRP)

The Student Resource Package (SRP) is the Department's main funding mechanism for Victorian Government schools. It is primarily an enrolment based funding model with a cash component being paid directly to schools in quarterly instalments.

9.2.1 Mandatory policy (Must do):

Sequence Number	Information	
9.2.1.1	Undertake an annual reconciliation by the due date as specified in the reconciliation process for that year.	
9.2.1.2	Enter receipts into CASES21 using the Chart of Accounts for Victorian Government Schools general ledger revenue code 70001 – Cash Grant.	

9.3 Other Department funding

Schools may receive funding for other purposes such as Conveyance Allowance, Overseas Fee Paying Students, etc.

9.3.1 Mandatory policy (Must do):

Sequence Number	Information	
9.3.1.1	Enter receipts into CASES21 using the relevant general ledger revenue code in the range 70004 to 70090. Refer to Chart of Accounts for Victorian Government Schools (CASES21) for a detailed listing.	

9.4 Government funding (commonwealth, state, local)

Schools may receive funding directly from Commonwealth, State or local government departments.

9.4.1 Mandatory policy (Must do):

Sequence Number	Information
9.4.1.1	Enter receipts into CASES21 using the relevant general ledger revenue code in the range 71000 to 73541. Refer to Chart of Accounts for Victorian Government Schools for a detailed listing.

9.5 Locally Raised Funds – Parent payments

The Department allocates funding to schools through the Student Resource Package (SRP). This includes funding for the standard curriculum program, including associated administration, equipment, facilities and operational costs. The *Education and Training Act 2006* also empowers school councils to charge parents for items that the school provides or makes available to the student. The items may be categorised as either **Essential Student Learning Items** or **Optional Items**. School council may also ask parents to make a **Voluntary Financial Contribution** to the school for a stated purpose.

9.5.1 Mandatory policy (Must do):

Sequence Number	Information
9.5.1.1	Comply with the DET Parent Payment Policy .
9.5.1.2	If the school receives voluntary contributions in relation to a building or library fund, the school must have previously obtained Australian Taxation Office Deductible Gift Recipient (DGR) endorsement (Refer to section 15: Taxation).
9.5.1.3	Enter transactions into CASES21 using the relevant Chart of Account general ledger code for Essential Educational items (74405), Optional Items (74406) and Voluntary Financial Contributions (74407).

9.5.2 Prohibited policy (Must not do):

Sequence Number	Information
9.5.2.1	Enter Voluntary Financial Contributions into CASES21 until they have been received.

9.6 Locally Raised Funds - Fundraising

Members of a government school community may undertake fundraising activities, having as their objective the establishment or augmentation of school funds or raising funds for a particular school purpose, if the school council approves these fund raising activities first.

9.6.1 Mandatory policy (Must do):

Sequence Number	Information
9.6.1.1	A school council must consider any proposed fundraising activity based on the recommendations of a committee consisting of: <ul style="list-style-type: none">• the president of the school council or the president's nominee, who must be the chairperson;• one other representative of the school council elected for the purpose by the school council;• two representatives of the group or body proposing the money-raising activity; and• the principal.
9.6.1.2	Unless the Fundraising Act 1998 otherwise provides, all funds raised for a Government school by fundraising activities must be held by the school council for the general or particular school purpose for which the funds were raised.

9.7 Locally Raised Funds - Donations

A school may receive donations from third parties (individuals and businesses other than families and students).

9.7.1 Mandatory policy (Must do):

Sequence Number	Information
9.7.1.1	To receive donations from third parties in relation to a building or library funds, the school must have previously obtained Australian Taxation Office (ATO) Deductible Gift Recipient (DGR) endorsement. (Refer to section 15: Taxation)

9.7.2 Prohibited policy (Must not do):

Sequence Number	Information
9.7.2.1	Schools must not enter invoices for donations into CASES21 until they have been received.

9.8 Locally Raised Funds - Sponsorship

Schools may receive funds through sponsorship. Sponsorship is the act of supporting an event or organisation financially, through the provision of products, services or activities, in exchange for rights (including naming rights) or certain specified benefits (such as logo placement or public acknowledgement). Sponsorship can provide a mutually beneficial and purposeful relationship between organisations/businesses and schools.

9.8.1 Mandatory policy (Must do):

Sequence Number	Information
9.8.1.1	Comply with the DET Sponsorship Policy and Guidelines

9.9 Locally Raised Funds - Other

Schools may receive funds through other activities such as trading operations, hire of facilities, school community co-operatives, etc. If a school is considering a school community co-operative loan refer to section 14: Liabilities Management.

9.9.1 Mandatory policy (Must do):

Sequence Number	Information
9.9.1.1	For trading operations, comply with the requirements outlined in section 12: Trading Operations.
9.9.1.2	Engage with the Department's School's Procurement Unit or Legal Division regarding contracts and/or agreements relating to the licensing and hire of facilities or equipment.

9.10 Financial arrangements for parents' clubs

Many government schools have a parents' club. A parents' club not only benefits students, but also enriches and contributes to the wellbeing of the school community through positive interaction and support.

9.10.1 Mandatory policy (Must do):

Sequence Number	Information	
9.10.1.1	Adopt a constitution for the Club consistent with the model published by the Department's Secretary, and obtain approval of the Minister for the formation of the Club under the terms of that constitution.	
9.10.1.2	Maintain a separate subprogram in CASES21 for the parents' club	
9.10.1.3	Comply with the financial management requirements outlined in this manual.	

9.11 Targeted Funding Programs

Schools may receive a budget allocation and advice on types of expenditure from central or regional program areas under the Schools Targeted Funding Governance Model.

9.11.1 Mandatory policy (Must do):

Sequence Number	Information	
9.11.1.1	Comply with the procedures outlined in the Schools Targeted Funding Governance Model and supporting guidance materials.	
9.11.1.2	Ensure procurement is undertaken within the conditions outlined in the initiative agreement and in line with procurement guidelines.	
9.11.1.3	Submit reimbursement requests (including sundry debtor invoice and supporting evidence of expenditure) via the Schools Targeted Funding Portal .	
9.11.1.4	Enter reimbursement transactions into CASES21 using the Chart of Accounts for Victorian Government Schools general ledger code for Targeted Program Reimbursement (70085).	

9.11.2 Prohibited policy (Must not do):

Sequence Number	Information	
9.11.2.1	Schools must not hold funds on behalf of central or regional offices.	

9.12 School Shared Programs

Schools may choose to pool some resources to provide shared programs such as sports days and professional networks.

9.12.1 Mandatory policy (Must do):

Sequence Number	Information	
9.12.1.1	The school councils of all schools involved must approve the arrangements relating to the shared program.	

9.12.2 Prohibited policy (Must not do):

Sequence Number	Information	
9.12.2.1	Schools must not hold funds on behalf of central or regional offices.	

Legislative requirements

Legislation

The advice in this section was based on requirements outlined in the following legislation:

- AASB 118 Revenue, AASB 120 Accounting for Government Grants and Disclosure of Government Assistance and AASB 1004 Contributions.
- Constituting Order of School Council.
- *Education and Training Reform Act 2006* – Part 2.2 Government Schools; Part 2.3 Government School Councils.
- *Education and Training Regulations 2017* – Part 4 – Government School Councils and Parents Clubs.
- *Financial Management Act 1994*.

Definitions

CASES21

CASES21 (Computerised Administrative System Environment in Schools) is the software package provided to Victorian government schools to support school administration, finance and central reporting.

Conveyance Allowance

Travel allowance to assist with the costs to and from school for eligible students who are unable to access free school buses in rural and regional Victoria.

Deductible Gift Recipient (DGR)	An entity or fund endorsed by the Australian Tax Office as being able to receive tax deductible gifts (donations).
Overseas fee paying students	International students not funded through the Student Resource Package and required to pay fees.
School Community Cooperative	A democratic organisation set up by a school community to promote and access funding for a particular purpose relating to a school, usually a building project such as the construction of a multipurpose facility.

Additional resources

- [Parents Clubs](#)
- [Student Resource Package](#)
- [School Policy and Advisory Guide - Parent Payment](#)
- [Schools Targeted Funding Portal](#)

Version and revision control record

Date	Version	Approver	Next Review
01/2019	1.2	Chief Finance Officer - Financial Services Division	01/2020