# Parent Clubs Frequently Asked Finance Questions

## Is the Department’s parent club policy compulsory for schools and parent clubs?

Yes, schools and parent clubs are required to follow the Department’s policy regarding the establishment, operation and dissolution of Victorian government school parent clubs. This information is located in the Policy and Advisory Library at: <http://www.education.vic.gov.au/> [search ‘Parents’ clubs’].

Parent clubs can find this information located on the Department’s external website at: <https://www.education.vic.gov.au/school/teachers/management/community/Pages/parentclubs.aspx>

## Does a parent club need approval of school council prior to fundraising?

Yes. Under the Education and Training Reform Regulations 2017 (the Regulations), a parent club may only conduct fundraising activities with the agreement of the school council.

A school council must not reject any proposed fundraising activity until it has considered a recommendation by a committee consisting of:

* the president of the school council or the president’s nominee (who must be the chairperson of the committee)
* one other representative of the school council elected to the committee by the school council
* two representatives of the parent club; and
* the principal.

## Can parent club members access a school’s petty cash funds?

The Department notes nothing precludes the operation of petty cash for a parent club which allows the club to draw upon the school’s petty cash fund. Schools are required to establish and operate a petty cash advance under the conditions outlined in Section 11.10 the Finance Manual for Victorian Government Schools. The limit on any one payment through petty cash is $200.

Section 11.10 ‘Petty Cash’ of the Finance Manual for Victorian Government Schools can be accessed at: <http://www.education.vic.gov.au/school/teachers/management/finance/pages/guidelines.aspx>

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| 11.10 Petty cash | The purpose of petty cash is to meet minor payments for school related purposes other than salary and wages. |
| 11.10.1  | **Mandatory policy (Must do)** |
| 11.10.1.1 | The school council must approve and minute the approval of the petty cash advance amount.  |
| 11.10.1.2 | The school must have a petty cash policy in place. |
| 11.10.1.3 | Any petty cash advance must be maintained under an imprest system  |
| 11.10.1.4 | The limit on any one payment must only be $200. |
| 11.10.1.5 | Only one officer must be the custodian of a petty cash advance and accountable for it. |
| 11.10.1.6 | Cash on hand must be kept in a secure location at all times. |
| 11.10.1.7 | The principal, or an officer appointed by the principal, must carry out checks (at least two per year) where they monitor the petty cash balances without having given advance notice of the check. |

1. **Does a school council have discretion to spend funds which were raised by the parent club for the establishment or augmentation of school funds or those raised for a particular purpose?**

Yes, where a parent club raises funds for the purpose of establishing or augmenting general school funds, the school council has discretion to choose how to spend those funds. The school council may choose to spend the funds on any general school purpose as long as the school council does not exceed its statutory powers, functions and objectives as set out in Part 2.3 of the *Education and Training Reform Act 2006* (Act) and its constituting Order.

The Department’s policy is that school councils, as trustees, determine how the funds are expended after consultation with the school’s parent club and the principal as to what is most desirable in the interests of the school.

Where a school community or a parent club has raised funds for specific purposes, the school council, as trustee, must ensure that those funds are expended only for those purposes and no other. The school council is strongly encouraged to consult with the parent club on the expenditure of these funds.

1. **Can a parent club member be reimbursed by the school for a parent club’s expenses?**

Parent clubs should handle any required purchasing needs either via the school’s petty cash system or through the school placing orders on behalf of the parent club. This can be achieved through careful planning and maintaining a collaborative relationship with the principal and school council.

There may be exceptional circumstances where reimbursements may need to be made to a parent club member.

In the instance where reimbursements need to be made to a parent club member, the Reimbursement Request Form needs to be completed. This should be signed by the principal and (if appropriate) the treasurer of the club.

## Does a reimbursement to a parent club member need to be approved by school council?

The school council manages the school’s finances and therefore monitors the school’s expenditure.

Clause 12 of the Parents Club Model Constitution states ‘All revenue and expenditure (including reimbursements) in relation to the Club/Association must be approved by a General Meeting of the School Council in accordance with the school’s procedures’.

After the reimbursement request form is completed and approved by the principal the reimbursement would take place through the school’s financial processes. The reimbursement is then reported to the school council in the expenditure reports. Clause 12 in the Constitution does not mean that the individual request would be tabled for approval by school council.

## How much money can be held in a parent club’s sub-program?

All parent club funds must be held in a separate sub-program maintained for the parent club within the school’s official account. There is no limit on the amount of money that can be held within the parent club sub-program. However, the Department does not consider it best practice for unallocated sums of money to be held by a parent club. While a club may have a large balance, all funds should be allocated against a specified purpose.

* If funds are raised for a particular purpose, they must be allocated to that purpose.
* If funds were raised to establish or augment the school’s general funds, the school council should discuss with the parent club in advance what the funds will be used for. Once the funds are raised, they should be allocated to that agreed purpose and detailed as a line item in CASES21.

## How can parent clubs obtain regular financial statements?

The Department considers it best practice that principals and Business Managers work closely with parent clubs and provide the club with a copy of the club’s sub-program CASES21 Variance Report and Transaction Report (usually once per month). It is recommended that the parent club meet with the principal and/or Business Manager to discuss timelines which work for both the school and parent club.

Making these Reports available promotes good governance and sound financial reporting practices, particularly regarding transparency and accountability of how funds are expended.

##  Are Parents’ Clubs required to have their subprogram account audited separately from the school’s account?

No, Parents’ Clubs are not allowed to have their sub-program audited externally. Parents’ Club finances are audited with the school’s account.

## At the end of the school year, will the parent club retain unspent funds held in the sub-program account?

Any unspent parent club funds should be included in the financial commitment summary at the end of each year. Funds are carried forward into the parent club sub-program the following year as part of the budgeting process.

These funds are considered to be ‘committed funds’ and therefore cannot be transferred out from the parent club sub-program.

## If the school or parent club has an issue or query regarding club operations, who should they contact?

It is recommended that a parent clubs raise any queries or issues with the school principal in the first instance. The principal is also encouraged to raise any queries with the parent club.

This FAQ document can be used to facilitate discussion regarding good governance and sound financial practices. Information provided in the parents club policy on the Policy and Advisory Library and on the Department of Education and Training website may also be useful to facilitate discussion.

If the matter is not resolved, the club or principal can contact the School Operations and Governance Unit, Department of Education and Training via email at: community.stakeholders@edumail.vic.gov.au

## Who can be contacted if a school does not provide the club with financial reports or discuss the spending of raised funds with the parent clubs?

If the principal has indicated they are unable to provide the club with a copy of the CASES21 Annual Sub-Program Budget Variance Report and Transaction Report and/or the school council has indicated they are unable to discuss with the club the spending of the club’s funds, the parent club can contact the School Operations and Governance Unit via email at: community.stakeholders@edumail.vic.gov.au.

## What are the best practice guidelines regarding sub-program revenue and expenditure reporting on CASES21?

Schools should have a defined parent club sub-program on CASES21 and title it correctly: e.g. 8751 Parents Club. For further details please see the [Chart of Accounts for Victorian Government Schools](https://edugate.eduweb.vic.gov.au/sites/i/Pages/production.aspx#/app/content/2305/).

All revenue and expenditure should then be coded into the sub-program. For example:

Revenue

Code: 74101 – Account title: Fundraising Activities

Expenditure

Code: 86201 – Account title: Library Books

The importance of correct coding prior to CASES21 data entry is critical to the credibility, reliance and accuracy of information.

### **Chart of Accounts – Section 40: Specific Purpose Programs**

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| --- | --- | --- | --- |
| Program code | Sub program code | Program/ Sub program title | Description  |
| 870 |  | **School Community Associations** |  |
|  | 8701 | School Community Associations | Transactions relating to a parent club or association or other body established to provide support to a government school. |
|  | 8750 – 8799 | School Defined |  |

The CASES21 Portal can be accessed at: <https://edugate.eduweb.vic.gov.au/Services/bussys/cases21/Pages/Home.aspx>

CASES21 support material for schools, including access the Chart of Accounts is available at: <https://edugate.eduweb.vic.gov.au/sites/i/Pages/production.aspx#/app/content/2305/>