

Date of Issue November 2022

Original Date of Issue May 2006

Subject **CLEARING ACCOUNTS**

References [Policy 4320 – Fundraising](#)
[APM A2500 – Purchasing Procedures](#)
[APM A2600 – School Generated Funds](#)
[APM A5200 – Alterations and Repairs to Facilities and Sites](#)

Contact Business Services

1. General

- 1.1 This Administrative Procedures Memorandum (APM) provides guidance to school principals for the use of clearing accounts when making purchases through the board's purchasing system that will be paid with school generated funds (SGF).
- 1.2 Refer to the board's policies and procedures related to fundraising and financial accountability for guidance with regard to spending SGF.

2. Clearing Accounts

There are eight clearing accounts in the board's financial system that shall be used when making purchases through the board's purchasing system that will be reimbursed from the SGF bank account.

General Clearing Expense	xxx.4660.sub*	General Clearing Revenue	xxx.1415.sub*
Alterations Clearing Expense	xxx.4665.sub*	Alterations Clearing Revenue	xxx.1432.sub*
Field Trip Clearing Expense	xxx.4670.sub*	Field Trip Clearing Revenue	xxx.1420.sub*
Capital Clearing Expense	xxx.4887.sub*	Capital Clearing Revenue	xxx.1387.sub*

Please note: xxx is the school's business unit and,
* indicates the subsidiary defined in the chart of accounts.

3. Purchases

When a school makes a purchase through the board's purchasing system that will be paid with SGF, it shall charge the purchase to one of the four clearing expense accounts, as noted in section 2.

- 3.1 Before charging a purchase to a clearing expense account, the school shall have SGF available, or a plan in place to obtain the funds to cover the cost of the purchase.

- 3.2 Written permission from Facility Services shall be forwarded to the Coordinator of Accounting – School Funds before a requisition charged to Alterations Clearing Expense will be processed, see APM A5200 – Repairs and Alterations to Facilities and Sites.
- 3.3 FORM A2506 - 1, General Clearing Expense Account (OBJ 4660) Approval for Purchases Greater than \$5,000, shall be forwarded to the Coordinator of Accounting – School Funds before a requisition for more than \$5,000 charged to the General Clearing Expense will be processed.

4. Reimbursement

Once the purchase has been paid through the board's purchasing system, the school shall reimburse the board by sending a cheque for the amount of the purchase drawn on the SGF chequing account to Business Services – Accounting.

- 4.1 The amount shall be credited to the related clearing revenue account.
- 4.2 A single cheque should be used when paying for multiple purchases. The clearing account reimbursements must be performed on a regular monthly basis.

5. Fiscal Year End

- 5.1 At the end of the fiscal year, the sum of a clearing revenue account and its related clearing expense account should be zero.
- 5.2 If the sum of the clearing revenue and expense account is not zero, the difference will be charged to the school budget.
- 5.3 If the balance is to be carried forward to the next fiscal year, the school should inform the Coordinator of Accounting – School Funds in writing.

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Issued under the authority of the Director of Education

GENERAL CLEARING EXPENSE ACCOUNT (OBJ 4660)
APPROVAL FOR PURCHASES GREATER THAN \$5,000

School _____

Item _____

Amount _____

Vendor _____

Requisition No. _____ OR _____

Reason for Purchase _____

Method of Reimbursement _____

Approved by
Principal _____
(print name) Signature Date

Superintendent _____
(print name) Signature Date