

ACCOUNTING PRACTICES ORDER

Authority: *School Act*, sections 156(1)(b), 156(12)(b) and 168(2)(o)

{ Ministerial Order 033/09 (033/09)	Effective February 18, 2009
{ Repeals and Replaces M257/04	
Amended by M177/10	Effective June 21, 2010
Amended by M135/12	Effective July 1, 2012
Amended by M413/14	Effective December 2, 2014
Amended by M109/22	Effective March 11, 2022
Amended by M298/22	Effective October 4, 2022
Order of the Minister of Education and Child Care	

Interpretation

1 In this order

"board" includes a francophone educational authority as defined in the *School Act*;

"fiscal year" means a period beginning on July 1 in one year and ending on June 30 in the next year;

"generally accepted accounting principles" means

- (a) the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or
- (b) if the Treasury Board makes a regulation under section 23.1(2) of the *Budget Transparency and Accountability Act*, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation;

"Ministry" means the Ministry of Education and Child Care.

[am. M177/10; am. M298/22]

Accounting Procedures

2 Boards must account and keep accounting records for funds; spend or transfer amounts retained as operating reserves (unless appropriated for the purposes of section 111 of the *School Act*); and prepare and submit financial reports and statements, all in accordance with generally accepted accounting principles and with

- (i) the Ministry's Financial Statement Instructions and
- (ii) the Ministry's Annual Budget Instructions,

as amended from time to time, and in the manner and form required by the Minister.

[am. M109/22, effective March 11/22]

Deficit Criteria

3 (1) In this section, "**employee future benefits**" and "**amortization expense**" have the same meaning as in the "CPA Standards and Guidance Collection (CPA Handbook)" (the "Handbook"), as published from time to time by the Chartered Professional Accountants of Canada.

(2) A board may incur a deficit in the following circumstances:

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- (a) as a result of establishing on July 1, 2004 an unfunded liability for employee future benefits, as determined in Part V of the Handbook entitled “Accounting Standards for Not-for-Profit Organizations”, section 4400; and
 - (b) as a result of establishing on July 1, 2011 an unfunded liability for employee future benefits, as determined in the portion of the Handbook entitled “Public Sector Accounting Standards”, sections 2125.10 and 3255.
- (3) A board may incur an annual deficit
- (a) as a result of using a surplus balance in a fund balance, the amount of such deficit being not greater than the available surplus balance, or
 - (b) for the portion of amortization expense that exceeds amortization of deferred capital contributions.

[am. M135, effective July 1/12; am. M413/14, effective Dec 2/14]