

Building Fund Policy

(Ratified by School Council: February 2026)

PURPOSE:

To provide guidelines for the use of a “Building Fund” bank account for donations made by families for this specific purpose. All school bank accounts must meet the DE control requirements as well as the guidelines provided by the Australian Taxation Office (ATO).

GUIDELINES:

School bank accounts must:

- only be opened or closed with the written authority of the school council
- have the principal (mandatory) and a school council member registered as co-signatories
Note: The school business manager cannot be a signatory even if a member of the school council
- be reconciled each month
- be audited in accordance with the department’s requirements
- be maintained on CASES21
- be managed according to requirements detailed in the Finance Manual for Victorian Government Schools.

IMPLEMENTATION:

The Building Fund will meet the following criteria to be classified as a deductible gift recipient fund (DGR).

- It is a public fund established and maintained solely for the acquisition, construction, or maintenance of buildings
- The buildings are used (or to be used) as a school
- The building is used for that purpose by a non-profit organisation
- Gifts to the fund are separate from any other funds
- A separate bank account will be maintained, and clear accounting procedures are followed
- The fund must be managed by members of school council

Building Fund Rules:

What can a school building fund pay for?

A school building fund is solely for providing money for **acquiring, constructing or maintaining** the specific school or college building for which the Fund has been established. It cannot be used for any other purpose.

Expenditure on capital improvements and maintenance, as well as installing and maintaining fixtures, are accepted outlays of a school building fund.

Costs payable from a school building fund include:



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Glen Waverley Primary School

Established 1960

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- **purchase** of land for which there are definite plans to construct a building to be used as a school or college
- **construction** or purchase expenses and associated financing costs
- **painting** and general maintenance of school buildings, and building insurance
- **expenditure** on carpets that are fixed to the floor of the school building, and
- **administration** costs of the fund, including bank fees, accounting costs and fundraising expenses.

Taxation Ruling TR 2013/2 provides a detailed list of the types of expenditure which the ATO allows to be made from the Building Fund. In particular, the draft ruling states that maintenance costs are acceptable, including:

- the cost of cleaning the school building;
- insurance premiums for the school building (but not the contents); and
- repairs, painting and plumbing upkeep on the school building.

Maintenance does not include payment of the water or utilities bills nor does it include the maintenance of sports equipment, playgrounds, sports fields, landscaping or car parks, as these are not school buildings.

Costs that **cannot** be paid by a school building fund include:

- landscaping costs for the building or grounds;
- running expenses of the school;
- paying teachers;
- buying furniture and materials;
- buying land to be used for buildings which are not to be used in connection with the curriculum or are for providing recreational space, and;
- maintaining sports grounds and car parks.

A school building fund may invest or lend its money if this is a bona fide and temporary arrangement and is consistent with achieving the fund's objectives in a reasonable time frame.

RELATED LEGISLATION:

Financial Management Act 1994

RELATED POLICIES:

nil

POLICY EVALUATION:

Evaluation will be conducted by the school council in consultation with the Business Manager, Principal and Finance Committee

DUE DATE FOR REVIEW:

Due for review in February 2027



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