

14. Controls over Receipt of Monies

1. Number of Bank Accounts:

- The number of school bank accounts must be kept to an absolute minimum. All monies received for the benefit of the school should be lodged in the main school bank account. The maintenance of proper books and records in a standardised format will facilitate the analysis of the sources of income and patterns of expenditure. This reduces the need for separate bank accounts for the various sources of funds.
- In general, a school should operate one Current Bank Account to receive all income and make all payments and one Deposit Account to hold monies not required for immediate use. If a school is involved in a building programme it may need to open a special Building Account. All transfers between bank accounts should be clearly shown.
- While it is desirable that all accounts should be held in the same branch of the same bank, there may be circumstances where a Board might decide to open a deposit or investment account in a different institution where rates of return are higher. All transactions and transfers involving such accounts must be clearly recorded.
- No overdrafts should be entered into without the written approval of the Trustees and the formal approval of the Board of Management.
- All lodgements should be completed promptly using an authorised bank lodgement book. The book should be used in sequence.
- All original bank statements and other related documentation is retained in the school and available for inspection by authorised personnel.

2. Grant Receipts:

- Most Grant Receipts from the Department of Education and Science are now lodged to the school bank account electronically.
- Grants or money received from the DES in cheque form should be lodged immediately. All receipts should be recorded immediately.

3. Segregation of Duties:

- This is to ensure that no one individual has total control over cash receipts. As with payments, total segregation may not always be possible in a school setting.

4. Recording of Receipts:

- All monies received directly by the school or Board of Management should be recorded on receipt and lodged directly to the bank account as soon as possible.
- A signed receipt from a numbered Receipt Book should be issued for any monies received in excess of €10. This applies to all school personnel including teachers collecting money for trips or any other school activity.
- For control purposes, a record of all cash receipts should be maintained usually by the school secretary and reconciled periodically with bank lodgements.

5. Book Grants:

- A Book loan/rental scheme is the preferred method of the DES for the administration of the “Book Grant for Needy Pupils”.
- However many schools still utilise the Book Grant to subsidise the cost of books or to pay money directly to those in need.
- A report on the operation of the Book Scheme should be presented to the Principal for submission to the Board of Management at the end of each school year.
- Detailed records of money received and expended should be maintained with all transactions passing through the main bank account.

6. Parents’ Councils:

- In many schools, Parents’ Councils and Associations provide valuable assistance and support to schools. Many engage in fund-raising for the benefit of the school which should be reflected in the school accounts.
- Where a Parents’ Association raises funds in the name of the school the Board of Management must ensure that the Association has adequate procedures in place to safeguard these funds.
- The Parents’ Association may maintain its own bank account subject to Board of Management approval and subject to the same control procedures applying to school finances. An annual financial report is presented to the Board at the end of each school year for inclusion in the school’s audited accounts.
- To comply with the Education Act, all funds expended by the Parents’ Council for the benefit of the school should be channelled through the school account. The funds should first be transferred from the Parents’ Council to the school account and then paid out by the school.