

## **SECTION C – FINANCIAL GUIDELINES**

### **19. Financial Management and Control – The Board of Management and School Principal**

The financial administration of the school is under the control of the Board of Management subject to the general supervision and control of the Trustees.

The Trustees, as owners of the school, are ultimately responsible for any debts incurred by the school. For this reason, any expenditure in excess of income must be approved by the Trustees.

The Board of Management is responsible for all business carried on in connection with or on behalf of the school. It is responsible for day to day running expenses and must ensure that expenditure does not exceed income. To fulfil this responsibility it is required to:

- Ensure that all legal requirements under the Education Act 1998 are fulfilled
- Comply with the requirements of the Trustees / Patron
- Comply with requirements of the Department of Education and Science and of the Financial Support Services Unit
- Set up a Finance Sub-Committee which includes the Principal
- Submit a forward budget to the Trustees
- Ensure that the annual school accounts are prepared, audited and approved
- See that the school is adequately insured
- Obtain advance written approval from the Trustees for any hire purchase, overdraft or loan agreement and for any proposed capital expenditure

The Board delegates the day to day management of the school to the Principal and he/she is given authority to act on behalf of the Board. Section 23 states that “a Principal shall have all such powers as are necessary or expedient to carry out his/her functions under the Act, and shall carry out his/her functions in accordance with such policies as may be determined from time to time by the Board and regulations made under the Act.” The Principal is “entitled to be a member of any and every committee appointed by a Board.”

All financial decisions in relation to the school must be authorised and ratified by the Principal. In any event, no member of the Board of Management in his/her individual capacity or any other school employee may in any way interfere with the financial administration of the school by the Principal.

The day to day financial responsibilities which have to be fulfilled in a school include the following:

- Managing all bank accounts opened in the name of the school
- Managing day to day running expenses
- Ensuring that proper books of account are kept in line with best practice guidelines
- Making sure expenditure does not exceed income unless with Trustee approval
- Preparing the annual budget
- Ensuring that school income and expenditure is monitored on a regular basis and in particular comparing actual income and expenditure to budget
- Submitting financial reports at each Board of Management meeting
- Making sure a Bank Reconciliation Statement for each school account is prepared once a month
- Ensuring the segregation of duties as far as possible in all financial matters
- Two cheque signatories on all school accounts one of whom is the Principal
- All documentation relating to financial transactions and purchasing is signed by the Principal
- Subject to Trustee approval, the Principal discharges the wishes of the Board of Management regarding the use of school premises by outside bodies, school insurance and the maintenance and upkeep of the buildings
- Ensuring that no bank overdrafts, loans, lease or hire purchase agreements are entered into without prior Trustee approval
- Monitoring all grants from the Department of Education and Science
- Ensuring that all payments made to the school are properly receipted and recorded
- Having clear guidelines in place on fund-raising in the school's name
- Ensuring that proper financial controls are in place for Parents' Associations / Councils, Past Pupils' Unions and other organisations operating in the name of the school
- The Principal approves all wages and salaries paid to school employees and ensures that proper records are maintained
- Ensuring that all remuneration payments made by the school are Revenue compliant
- Returning all relevant documentation and payments to the Revenue Commissioners
- Ensuring the proper disbursement of Book Grants for needy students
- Ensuring that proper purchasing guidelines are in place e.g. checking of order books, delivery notes and invoices
- Ensuring a proper system of stock control is in place where necessary
- Ensuring a proper Assets Register is maintained

This list is not exhaustive. However, there is no implication that the Principal has to physically carry out all of the tasks outlined above. Many of these tasks can be delegated but only under the guidance of the Principal. It is the responsibility of the school Board of Management to ensure that the necessary structures are in place.