

2008/2009 Financial Guideline 04

Parents' Association and Finance

Introduction

Under the Education Act 1998 (Section 26) *“The parents of students of a recognised school may establish, and maintain from among their number, a parents’ association for that school and membership of that association shall be open to parents of students in that school.”* Under the Act, the Parents’ Association is obliged to promote the interests of students in co-operation with the Board of Management, the Principal, teachers and students of the school.

In many of our schools, there is no doubt that Parents’ Associations provide most valuable assistance and support to school management, staff and students. Although not intended to be their sole activity, many Parents’ Associations get involved in fund-raising activities out of a desire to support the school and to assist in the provision of very beneficial equipment and resources.

This guideline is intended to address the financial control issues necessary when such activities take place.

A Parents’ Association Bank Account

- With Board of Management approval the Parents’ Association may maintain its own bank account. The level of funds retained in the Parents’ Association bank account should be sufficient only to meet its on-going day to day costs and activities as approved by its members and by the Board.
- Where fund-raising takes place, the proceeds may be lodged in the Association’s bank account initially but should be transferred to the main school bank account as soon as practicable.
- All bank accounts opened in the name of the school must have at least two signatories approved by the Board of Management, one of whom should be the school Principal and one other nominated by the Parents’ Association. This guideline applies to all bank accounts opened in the name of the school including the Parents’ Association bank account.

Parents' Association Funds and Financial Management

The Parents' Association is required to be self-financing and should not be supported by or dependent on school funds. The Association should appoint a treasurer from among its members who will maintain proper books of account, file all invoices, bank statements and other documents relating to the transactions of the Association and make a financial report to the general body of parents each year.

A financial report should also be submitted to the school's Board of Management at the end of each school year and all financial documentation should be made available to the school's accountant for certification and inclusion in the annual accounts of the school.

These same controls apply to all aspects of a school's financial management including fund-raising activities.

Fund-raising by the Parents' Association

1. Parents' Associations often engage in fund-raising activities on behalf of the school. Many schools depend on such fund-raising for the purchase of equipment which they could not otherwise afford and some require the proceeds of fund-raising to meet shortfalls in their income from the Department of Education and Science.

It is essential that proper controls and procedures are put in place to safeguard such funds and in this context the following criteria apply:

- Any proposal to raise funds should be formally sanctioned by the Board of Management.
 - The Board is responsible and ultimately accountable for all fund-raising carried out in the name of the school.
 - Only the Board can authorise the use of the school name for fund-raising or any other external activity.
 - It is advisable, in a spirit of partnership, to discuss the exact purpose of the fund-raising in advance. Ultimately it is the Board of Management which decides how school funds are to be expended hence the desirability of seeking agreement in advance of any such activity.
2. Before formally sanctioning any fund-raising activity the Board of Management must ensure:
 - That appropriate controls, financial, accounting and otherwise are in place.
 - That all legal obligations associated with the fund-raising activity (e.g. Garda or court sanction) are fulfilled.
 - That appropriate records are maintained.
 - That health and safety concerns attaching to each activity are considered and provided for.
 - That adequate independent insurance is arranged where an event is not covered by existing school insurance policies.

3. The following general conditions apply:

- A Parents' Association and any group involved in fund-raising should consider the cost and expected income all fund-raising activities before commencement and give a brief summary to the Board of Management when requesting approval.
- A separate financial record should be maintained to manage and control all transactions associated with the fund-raising activity.
- Once completed, a full report setting out the income and expenditure for the activity should be submitted to the Board.
- The financial records for all fund-raising activities should be available for examination and inclusion in the school's annual accounts.
- The proceeds of a fund-raising activity should be transferred from the account of the Parents' Association to the main school bank account. This transfer should take place by agreement between the Board and the Parents' Association but in any event before the end of the school year in which the fund-raising activity took place.
- Only the Board can authorise the expenditure of this money and this is carried out in accordance with the financial practice which applies to all other school expenditure.

The procedures outlined in this guideline apply to any group undertaking fund-raising in the name of the school.

Fergus Dunne, Director,
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