



Financial  
Support  
Services  
Unit

# GUIDELINES FOR FINANCIAL MANAGEMENT IN VOLUNTARY SECONDARY SCHOOLS

## **Foreword**

**This document has been prepared as a guide for Principals and Boards of Management in Voluntary Secondary Schools. It is meant as a reference document of best practice which may be consulted by school management for guidance on all aspects of finance which impinge on the operation of the school.**

**The guidelines are applicable to all areas of the school's operations including activities not funded by the Department of Education and Science.**

**Guidelines of this nature will never be totally definitive. It is intended to keep them under review with a view to making any necessary amendments in the light of experience. In this regard, the Financial Support Services Unit would welcome comments and suggestions from any source which might lead to improvement in the guidelines or disseminate further good practices which we may have overlooked.**

**These guidelines have been put together following widespread consultation with school Trustees and Patrons, school Principals and Department of Education and Science personnel. In particular, we wish to acknowledge the material developed for the Community and Comprehensive sector which has been adapted for Voluntary Schools and guidelines already put in place by various Trustee and Patron groups.**

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**January, 2006.**

# **Guidelines for Financial Management in Voluntary Secondary Schools**

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# Introduction

Voluntary Secondary Schools are essentially private institutions which are recognised for State funding provided they comply with certain regulations. Currently, there are 398 Voluntary Secondary Schools in Ireland of which 347 are owned by Catholic Religious and Diocesan Trustees, 21 are under Protestant trusteeship / patronage and 27 are lay owned or under lay trusteeship. Of the 398 schools, 342 schools participate in the Free Education Scheme, the remaining 56 charge fees.

Voluntary Secondary Schools in the Free Education sector receive funding towards recurrent expenditure from the Department of Education and Science (DES) by way of per capita grants. Teacher salary costs in all schools are paid directly by the State. Fee-paying schools do not receive the per capita grant; however, Protestant schools are eligible to receive the other per capita grants paid under the Free Education scheme.

Section 14 of the Education Act 1998 provides for the establishment on an agreed basis of representative Boards of Management in recognised second level schools. Subject to the general supervision of the Patron, the Board of Management, in accordance with the functions as set out in the Act, is responsible for the government and direction of the schools, the use of school resources and the management of its finances.

Subject to the general supervision of the Trustees / Patron, the Board of Management is responsible for the financial administration of the school. School finances and accounting have become a complex matter with schools handling a variety of funds apart from Department of Education and Science grants. Excluding teacher salaries, an average school can have an average turnover of €500,000 including voluntary donations from parents, fundraising, collections for school tours and other activities.

Since the 1970's all Voluntary Secondary Schools were expected to submit their accounts to the JMB Secretariat of Secondary Schools. A formal accounting framework was put in place to address the accountability needs of Trustees and school owners. There was no requirement on schools to submit their accounts to the Department of Education and Science or to otherwise make them available for public audit.

Section 18 of the Education Act 1998 provides that a school Board of Management shall keep accounts of all income and expenditure, and obliges the Board to ensure that the accounts are audited in accordance with best accounting practice. This section also provides that the Board must make the accounts relating to public monies available for inspection by the Minister and parents of students in that school.

To fulfil this function the Department in co-operation with the JMB has established the Financial Support Services Unit (FSSU) (Circular M 36/05 – Appendix 14). All Voluntary Secondary Schools right across the sector are now obliged to forward their annual accounts to this unit. As well as fulfilling this accountability role, the FSSU will also provide an auditing and financial support function for schools to help them to meet their accountability and financial management objectives.

## SECTION A – THE REGULATORY FRAMEWORK

### 1. Financial Controls and Procedures in Voluntary Secondary Schools

The legislative and regulatory framework governing schools in the voluntary secondary sector can be summarised as follows:

- **The Education Act 1998:** This act provides a statutory basis for the whole education system. It sets out the rights and responsibilities for all involved in education.
- **The Department of Education and Science** has the statutory responsibility to implement the Act including the funding of recognised schools and accountability for such funding.
- **The Financial Support Services Unit** under the aegis of the **JMB** has been established as a support mechanism for schools in the voluntary secondary sector to enable them to meet their legal obligations.
- **The Trustees / Patrons** of schools exercise a general supervisory role and are ultimately responsible for the financial well-being of the school.
- **The Secondary Education Committee and Boards of Governors** exercise a similar role for schools in the Protestant tradition.
- **The Board of Management** controls the school finances subject to Trustee supervision. It is responsible for the financial administration of the school and for ensuring the safety of school assets.
- **The School Principal** has the delegated responsibility for the day to day management of the school and ensures that Board of Management policies and requirements are adhered to.

## **2. The Education Act 1998**

The Education Act, 1998 provides a statutory framework for Irish education at post-primary level. The Act sets out broad objectives and principles underpinning education provision in post-primary schools and it clarifies the roles and the responsibilities of the respective partners in education, including school Trustees/Patrons, Boards of Management, Principals, Teachers, Parents and the Minister for Education and Science.

Many of the provisions of the Act simply codify and standardise arrangements and procedures that had developed over the years within post-primary schools. However, the Act serves an important purpose in providing transparency and clarity as regards the rights and responsibilities of each of the stakeholders, and in facilitating best practice, quality outcomes and the effective and efficient deployment of resources.

The 1998 Act sets out the role of Patron and Board of Management of secondary schools. The Patron, in accordance with Section 8 is “the person(s) who, at the commencement of this section, stands appointed as Trustees or as the Board of Governors of a post-primary school, shall be deemed the Patron for the purposes of this Act...”

Section 14 provides for the establishment of Boards of Management and places the responsibility for appointing the Board with the Patron.

“It shall be the duty of a board to manage a school on behalf of a patron and for the benefit of students and their parents and to provide or cause to be provided an appropriate education for each student at the school for which the board has responsibility.” (Section 15.1) “A board shall consult with and keep informed the patron of decisions and proposals of the board.” (Section 15.2 (c)) A board shall have regard to the efficient use of resources (and in particular the efficient use of grants provided under Section 12) the public interest in the affairs of the school and accountability to students, their parents, the patron, staff and community served by the school.

Section 12 of the Act deals with annual state funding of schools. “The Minister, with the concurrence of the Minister for Finance, shall determine and publish in each school year criteria by which any class or classes of recognised schools or centres for education are to be funded in the following year from monies provided by the Oireachtas and such criteria shall allow for the payment of additional monies to recognised schools having regard to the level of educational disadvantage of students in the schools.” (Section 12 (1))

Section 18 of the Act states that “the board shall keep all proper and usual accounts and records of all monies received by it or expenditure of such monies incurred by it and shall ensure that in such year all such accounts are properly audited or certified in accordance with best accounting practice; accounts kept in pursuance of this section shall be made available by the school concerned for inspection by the Minister and by parents of students in the school, in so far as those accounts relate to monies provided in accordance with section 12.”

### **3. The Financial Support Services Unit**

The Financial Support Services Unit has been established under the aegis of the JMB. A Director of Financial Support Services was appointed and took up office on September 1<sup>st</sup> 2004. The Director reports to the General Secretary of JMB. General policy is determined by a Steering Committee comprising the President and General Secretary of JMB and two representatives of the Department of Education and Science. Further staff with accounting and/or secretarial background will be appointed or contracted in as may be required to fulfil its terms of reference and within the allocated budget for the unit.

#### **Mission of the Financial Support Services Unit**

**The Financial Support Services Unit is a support mechanism for schools in the Voluntary Secondary sector which enables them to comply with the provisions of the Education Act 1998 in terms of accountability, transparency and financial responsibility for State funding. It is based in the JMB Secretariat and acts as a link between Voluntary Secondary Schools and the Department of Education and Science.**

#### **Aims and Objectives of the Financial Support Services Unit:**

- To link with all schools in the Voluntary education sector through Trustees/Patrons, Boards of Management and Principals and develop a standardised comprehensive system of controls which would apply to all schools.
- In cooperation with Trustees/Patrons, and Boards of Management and Principals, to develop standardised systems of budgeting, accounts, control and reporting mechanisms.
- To collate and review Annual Financial Reports by schools and prepare an annual report for the Department of Education and Science and the JMB.
- To liaise with the relevant sections and officials in the Department of Education and Science in relation to all financial matters pertaining to Voluntary Secondary Schools.
- To provide an advice and support service for Voluntary Secondary Schools on all aspects of financial management and control.

## **4. Role of Financial Support Services Unit**

The Financial Support Services Unit is responsible for setting up a framework of financial management, accountability and control for all schools in the Voluntary Secondary sector. Among other things, this task includes the following:

1. Promoting an understanding of the financial responsibilities and duties of the various parties involved in schools and helping them to meet legal obligations.
2. Enabling schools to adopt a standardised accounting and reporting system through:
  - Standard format for books of account and budgeting preferably in electronic format.
  - Standard reporting structure for all schools including detailed analysis of income and expenditure, comparison against budget, opening and closing bank balances, bank reconciliations for all accounts.
  - Standard accounts and budget formats.
  - Formal approval of accounts by Boards of Management and submission of accounts to the JMB Financial Support Services Unit.
  - Control procedures to ensure that monies are properly expended on the purposes for which they were intended.
3. Preparing detailed guidelines on all aspects of financial management and control applicable to Voluntary Secondary Schools in line with best practice.
4. Liaison with the Department of Education and Science on all aspects of school funding and grants.
5. Consultation with all stakeholders in the Voluntary sector.
6. Provision of an advice and support service on all aspects of financial management in schools.

## **SECTION B – CONTROL FRAMEWORK**

### **5. Financial Controls and Procedures in Voluntary Secondary Schools – Introduction**

In recent years the education system has undergone dramatic change and in particular the Voluntary sector is facing many new challenges both internally and externally. State funding for the Voluntary Secondary School sector has increased significantly and in the context of accountability for public funds, there is a need to ensure that the systems for financial management and internal controls are robust and meet the needs of our changing education system.

The only controls in place have been those developed by the schools themselves and by the Trustees / Patrons of the schools. The level of accountability and control varies significantly from school to school and from one Trustee group to the other.



## 6. Objectives and Key Features of the Control Framework

Following the implementation of the Education Act, 1998, it is essential to establish a framework for control and accountability of public funds invested in the Voluntary Secondary sector. Ideally, the framework will be flexible and capable of dealing with the needs, circumstances, responsibilities and rights of all involved in education. The key objectives of a good system of financial management and control include:

- Ensuring that grants and monies received by schools are accounted for.
- Ensuring that the financial management and internal controls in schools are strong and adequate to safeguard public and other school funds.
- Ensuring proper financial reporting which is a true statement of the activities of the school.
- Ensuring that financial liabilities are controlled and minimised and do not exceed permitted limits.

The key features of a good control framework in schools include:

- The acceptance by all concerned of the necessity for a positive **control environment**. This includes not only the internal control structure within the school but also **attitudes** to and **awareness** of internal controls and their importance. There must be a clear understanding of individual financial responsibility, segregation of duties and standards and procedures over financial control activities which identify and address key areas of risk. In particular, all relevant parties including the DES, Trustees / Patrons, Boards of Management, Principals, and others with financial responsibility must have a clear understanding of their respective roles and responsibilities.
- A good **accounting system** which includes procedures to identify, assemble, classify, calculate, analyse, record, summarise and report the transactions. A standardised accounting and reporting system will ensure that all transactions are recorded, reported and monitored. The system will be able to provide the information required by the DES, Boards of Management, Principals, Trustees / Patrons and Parents as required under the Education Act, 1998.

- **Control procedures** which help to ensure that all grants and monies received are expended on the purposes for which they were intended. Control procedures should be in place at two levels:
  - **Monitoring controls** are detective rather than preventative – they are controls which give assurance that systems are working or detect where problems have occurred. These include controls at DES level which might involve monitoring how grants to schools are spent and seeking Reconciliation Statements to explain how particular aspects of State funding are expended. Monitoring controls at school level would include annual budgets, annual accounts, monthly accounts and reports to the Board of Management, guidelines on spending limits and financial liabilities, control over the opening of bank accounts and authorised signatories and the preparation of an annual audit.
  - **Application controls** are controls over procedures and individual transactions. Traditionally, there was no formal set of guidelines on internal control procedures available to all schools. To this end, the guidelines outlined in this manual are designed to assist schools to put in place a control procedure which addresses such areas as:
    - A. Payment procedures: authorised cheque signatories, clear segregation of financial duties, documentation to support all transactions, controls over the school payroll, petty cash.
    - B. Receipts of Monies: number of bank accounts, grant receipts, segregation of duties, recording of receipts for all monies received (including monies collected by teachers and others from students for any purpose), administering book grants, Parents' Councils, fundraising.
    - C. Controls over commitments: loans, leasing, bank overdrafts.
    - D. Capital Expenditure controls: Capital expenditure, school assets register.
    - E. Controls over DES Grants.

## 7. School Income

### A. Grants paid by the Department of Education and Science (DES):

The main source of school income is grants payable to schools in the Free Education Scheme both on a per capita basis and for specific purposes. The main grants received are outlined in **Appendix 6**.

Schools participating in the Free Education Scheme may not charge fees. For such schools a grant in lieu of tuition fees is included in the capitation grant. Schools which do not participate in the Free Education Scheme do charge tuition fees which represent their main source of income.

Many of the grants received by schools go into the general school fund to pay for school expenditures, as outlined below. However, some grants and income received may only be used for specific purposes and should not show a surplus. These include:

- Supervision money to pay for non-teacher supervisors
- The Book Grant for “needy students”
- Home School Liaison Grants
- Certain IT grants

**Capital Grants** are payable in certain circumstances for school buildings, extensions, refurbishment and for equipment.

### B. School Generated Income:

This is income generated within the school from various activities or ventures such as Locker rental, Canteen or Tuck shop receipts, and income from games and books. Fees charged by fee-paying schools are included in this category.

### C. Other or Special Income

- **Voluntary / Parents’ Contributions:** As with all school income, such contributions should be lodged in the main school current account and, if the school can afford it, then transferred to the school Deposit or Development Account to distinguish it from official Department of Education and Science funding. It may be necessary, in some circumstances, to use such funds to finance current spending or they may be used to fund special projects earmarked by the Board of Management and approved by the Trustees where required.
- **Fund-Raising:** Many schools in the Free Education Scheme engage in various forms of fund-raising and other activities organised by parents, students and teachers. The Board of Management has ultimate responsibility for all such funds raised and must make sure that they are properly recorded and included in overall school accounts. **(See Sections 29 and 30 for detailed guidelines)**
- **Parents’ Associations / Councils and Past Pupils’ Unions** may raise funds for the benefit of the school. All such funds must be channelled through the main school bank account before the end of each school year.
- **Donations and Gifts** from Trustees or any other source.

## 8. Ordinary School Expenditure

### A. Current Expenditure:

- 1. Education – Salaries:** All salaries to part-time and substitute teachers and payments to teachers for education related services including all PAYE and PRSI and all payments to non-teacher supervisors under the Supervision and Substitution scheme.
- 2. Education – Other Expenses:** Includes all teaching aids, consumable materials and all expenses related to curriculum and education activities including expenditure on Religious Education.
- 3. Repairs, Maintenance and Establishment:** Current expenditure related to the upkeep and maintenance of school buildings, grounds, furniture, fittings and equipment, caretaking costs, cleaning, insurance, light, power and heating.
- 4. Administration:** Secretarial salaries and services, printing, postage, telephone and stationery.
- 5. Finance:** Bank interest and charges.

(See Appendix 6 for details)

### B. Capital Expenditure and Depreciation:

Capital expenditure is expenditure which is generally of a once off nature rather than recurring. The purpose of capital expenditure is to acquire an asset or advantage of a lasting nature for the benefit of the school. As a rule of thumb, the expected life of an asset is more than one year. For example, the purchase of computer equipment or school furniture is capital expenditure and is reflected in the Balance Sheet while the purchase of computer software, discs and repairs and maintenance are current expenditure which is recorded in the Income and Expenditure Account.

All assets recorded in the Balance Sheet should be subject to Depreciation. In general, depreciation rates are as follows:

- Land and Buildings – 2%
- Furniture and Fittings – 10%
- Computer Equipment – 20%

Annual depreciation, calculated on a straight line basis, is shown as a charge in the Income and Expenditure Account and is deducted from the relevant asset in the Balance Sheet.

## **9. School Budgeting**

### **Principles and Techniques**

#### **1. Objectives of financial management budgeting**

- To help the school to achieve its educational and administrative objectives in accordance with its ethos and mission
- To meet statutory requirements
- To control the school's financial resources
- To maximise the use of available resources
- To assist in effective decision making
- To develop systems for the efficient running of the school

#### **2. What is budgeting?**

- “An estimation of planned events expressed in quantitative terms”
- A future plan expressed in monetary terms
- It is a financial plan of action against which financial transactions are benchmarked

#### **3. Advantages of a budget**

- It ensures that the day to day operations of the school are geared towards achieving its objectives
- It fixes school management to a definite plan and eliminates ad hoc decision making
- It enables Trustees to fulfil their supervisory role in ensuring the financial well-being of the school
- It encourages communication on key issues between all the parties involved
- It enables the objectives of all parties in the school community to be aligned with the objectives of the school

#### **4. Planning the budget – basic strategies and assumptions**

- A formal approach is adopted
- The Principal prepares the budget with the assistance of the Board of Management Finance Sub-Committee
- Encourage participation and involvement e.g. seek submissions from teachers, school departments and other relevant parties
- Ensure key information is available
  - Projected student enrolment
  - Projected enrolment in specific courses such as Transition Year and Leaving Certificate Applied
  - All grant entitlements
  - Expected number of teachers whether permanent, temporary, RPT or part-time paid by the school
- A school budget assists the Principal to manage the school finances on a day to day basis
- Schools may not budget for a deficit without Trustee approval and must explain how the deficit is to be funded

## 5. Developing the budget

- The budget process for the next school year begins in January
- The Board of Management Finance Sub-Committee meets with the Principal to begin the process and seeks submissions from all relevant groups within the school
- No single programme or school department has an **automatic right** to funds
- The key areas of the budget and assumptions underlying it are identified
- Identify areas of capital spending and refurbishment which are necessary or desirable
- Identify the opening position for the start of the next school year from the current budget and from past experience
  - Cash and bank balances
  - Creditors and accrued expenses
- Begin with revenue: determine total resources available and identify all revenue sources
  - Department of Education and Science grants
  - School generated income
  - Other income to fund **day to day** spending such as Parents' contributions, voluntary subscriptions and fundraising (Revenue for **Capital Spending** is considered separately)
- Be conservative – if in doubt, leave it out
- Gather all information regarding all possible expenditures – distinguish between essential or unavoidable spending and discretionary spending. Do not consider any items of capital spending (e.g. new computers or furniture) at this stage
- Collate the expenditure budget under the main account headings:
  - ❖ Education – Salaries
  - ❖ Education – Other
  - ❖ Repairs, Maintenance and Establishment
  - ❖ Administration
  - ❖ Finance
  - ❖ Depreciation (estimated charge)
- Apply the revenue budget to the expenditure activities based on
  - ❖ Pre-determined priorities
  - ❖ Allocations over the past few years
  - ❖ Realistic assumptions e.g. the expected price of heating oil
- So – not enough income to meet expenditure? Adjust and change
- There will never be enough income to do everything desired – the process requires negotiation and compromise
- If using a computerised accounts package, enter all details specifying the month where this known of all items of income and expenditure
- Submit the proposed budget to the Board of Management for approval or adjustment
- Submit the proposed budget to the school Trustees / Patron by March 31<sup>st</sup> each year and in accordance with procedures laid down by them

**Give specific details  
under each heading**

## **6. Capital expenditure**

- Capital expenditure is expenditure of a once off nature rather than recurring. The purpose is to acquire an asset or advantage of a lasting nature for the enduring benefit of the school. No extension, improvement or replacement of the school building may be undertaken without the prior written approval of the Trustees.
- The Board of Management may identify necessary or capital expenditure required for the coming year.
- Seek quotations based on purchasing and tendering procedures outlined in the guidelines.
- Identify capital receipts which may be available to finance capital expenditure:
  - State grants
  - Fund-raising
  - Parents' contributions
  - Donations
- Submit proposals to the Board of Management for approval.
- All capital expenditure plans must be submitted to the Trustees for final approval or otherwise, in accordance with procedures laid down by them.

**(See Appendix 8 for Budget Guidelines)**

## **10. Internal Monitoring and Application Controls**

### **Introduction**

There is a strong inter-relationship between monitoring and application controls. Because of the number and size of schools in the Voluntary Secondary sector, it may not be cost effective to put detailed application controls in place for all schools, but effective monitoring controls will compensate. It is important to strike a balance between the risk of misappropriation and the costs of implementing controls on the one hand and the procedures and benefits to be gained from this framework on the other hand.



## **11. Monitoring Controls**

Under the Articles of Management, Boards of Management are responsible for the day to day running of the school with the Trustees / Patrons bearing ultimate responsibility. In practice, the Board of Management delegates much of the day to day administration of the school to the Principal. It is the responsibility of Trustees / Patrons to ensure that adequate controls and procedures are in place to ensure accountability and transparency.

### **Monitoring by the Department of Education and Science**

The Department of Education and Science provides significant levels of public money to the Voluntary sector and since the implementation of the Education Act, 1998, it has a right of access to school accounts to the extent that they relate to State funds. To exercise this right, the DES is funding the operation of the Financial Support Services Unit (FSSU) under the aegis of the JMB. The objective of the FSSU is to provide assurance to the DES that schools are accounting for all monies received. In effect the FSSU gives the DES a form of monitoring control over the schools to which it has provided funding.

To exercise this control, a copy of school accounts will be sent to the Financial Support Services Unit each year. Trustees will be requested to submit an annual Declaration confirming that school accounts have been approved together with background information in respect of any auditor / accountant's report and a letter from the Board of Management indicating that all recommended accounting and control procedures have been complied with. The DES may also consider rotational reviews of schools over a five year cycle with particular emphasis on bigger schools.

### **Monitoring by Trustees and Boards of Management**

Trustees bear ultimate responsibility for the operation of the schools and devolve power to the Boards of Management including certain financial functions. Monitoring controls by Trustees include:

- A system of budgetary control
- Approval of annual budgets
- Approval of annual accounts
- Approval of Capital Expenditure (including major repairs)
- Approval of proposed loans, bank overdrafts, hire purchase and lease agreements
- In particular, Trustees will focus on the requirements that
  - Financial reporting is timely, responsible, accountable and a true statement of the activities of the school
  - Financial liabilities are minimised and do not exceed approved limits
  - All income and expenditure from whatever source is reflected in the school's annual financial report
  - Best practice is being implemented by the Board of Management

## **Monitoring at Board of Management and School Level**

Monitoring controls at school level will include the following:

- Review and approval of annual accounts by Board of Management and Trustees
- Review and approval of the annual school budget by the Board of Management and Trustees
- Review of monthly accounts and comparison of budget versus actual income and expenditure by the finance sub-committee and Board of Management
- Review of annual accounts and comparison of budget versus actual income and expenditure by the Board of Management
- Approval and control over the opening of bank accounts by the Board of Management and the use of bank mandates to determine authorised signatories and approved cheque signing limits
- Audit of annual accounts by registered auditors for all schools in accordance with procedures laid down in these Guidelines
- Ensure all transactions comply with all legal and Department of Education and Science requirements

## **12. Application Controls**

At present there are no standardised internal control procedures and guidelines available to schools. The evidence is that controls vary considerably from school to school with the consequent increase in the risk of loss or misappropriation of school funds. The financial management of schools is very much driven by bank and cash transactions. It is critical therefore that detailed guidelines on the minimum controls required be put in place for all schools in the sector.

It is one of the aims of the Financial Support Services Unit to prepare detailed guidelines on all aspects of internal control which will set out the key controls to be followed by **all** schools in the Voluntary Secondary sector. The following sections address detailed application controls over:

- **Payment procedures**
- **Receipt of monies**
- **Commitments**
- **Capital expenditure**
- **Department of Education and Science grants**
- **Safeguarding of school assets**
- **Best practice in all areas of financial management**

In general, guidance on the controls over bank and cash transactions is essential. The purpose of these controls is to ensure that all school monies received and expended are for the benefit of the school and are properly recorded in the school accounts and that there is proper segregation of duties so that no individual has total control over all aspects of cash and bank transactions.

## **13. Controls over Payment Procedures**

### **1. Authorised Cheque Signatories:**

- There should be two cheque signatories for all school accounts – the Principal and Chairperson or other person approved by the Board of Management.
- Under no circumstances should a blank cheque be signed by a signatory.
- No one individual should have unlimited signing authority on any school bank account and amounts above a certain limit should require specific Board of Management approval.
- No post-dated cheques, unsigned cheques or partly completed cheques should be used or stored.
- Cheques should be written in order with one cheque book in use at any one time.
- Cheque books should be stored in a very secure location. In this regard, the Board of Management should ensure that the school has a solid, fixed safe in which all monies and valuable documents can be stored.

### **2. Supporting Documentation:**

- When cheques are presented for signature, they should be accompanied by supporting invoices or other documentation and initialled by the cheque signatories as evidence of approval. **(See Purchasing Procedures, Section 23)**
- Both cheque signatories should satisfy themselves independently that the payment is properly due.
- Invoices and other documentation should be filed, retained and available for audit.

### **3. Segregation of Duties:**

- As far as possible, there should be adequate segregation of duties to ensure that no one individual has complete control over all aspects of the cash cycle i.e. receipts and payments. This reduces the risk of intentional manipulation or error.
- In a school setting however complete segregation would be very difficult to achieve. Nevertheless, steps must be taken to ensure that at least two people are involved in a cash cycle such as a school tour or fundraising. **(See detailed guidelines in Section 29)**

### **4. All signed cheques should be dispatched promptly. A “rubber stamp” signature is not acceptable.**

### **5. Electronic Payments:**

Where payments are made electronically, the system must be such that payment is only dispatched after authorisation by the Principal and Chairperson or other Board of Management member.

## 6. Wages and Salaries:

- Payment of all wages should be made either:
  - ❖ by cheque or
  - ❖ direct debit drawn on the school bank account or
  - ❖ electronically
- Wages or salaries paid from school funds are **never** paid in cash.
- Wages and salaries paid to clerical staff, caretakers, cleaners or any other school employees should be approved by the Principal who can confirm that the service has been provided and that the wages / salaries are properly due.
- Proper time sheets for all employees should be maintained and filed for future reference.
- All payment records should be retained in the school and maintained by the School Secretary / Treasurer / Bursar.
- Accurate records for new and ceasing employees, pay levels and PAYE/PRSI calculations should be carefully filed.
- These controls also apply to substitute teachers (until alternative arrangements are put in place by the DES), part-time teachers, supervisors and non-teaching personnel who are paid directly by the school.
- All remuneration payments made by the school must be Revenue compliant. Payments made to teachers and other personnel for services such as after school study are subject to tax and PRSI.
- Tax and PRSI is not deducted where payments are made for services to a person or company registered as self-employed. In such cases, payment is only made on foot of a proper VAT invoice.
- Tax is not deducted for “once off” lectures / interviews to non-school personnel. However, such payments are subject to self assessment.
- As an employer, the school is obliged to complete and file documentation required by the Revenue Commissioners and to make prompt payment of monies due for tax and PRSI.

## 7. Petty Cash: A proper petty cash system should be operated by all schools.

- Only small amounts of incidental day to day expenses should be discharged through petty cash.
- An imprest system for petty cash should be operated (**See Section 22**)
- For control and security reasons, the amount of money held in petty cash should be kept to a minimum – say €200.
- A detailed record of petty cash should be retained in the school and signed on a regular basis by the Principal.
- The Board of Management should approve the Petty Cash Imprest.

## **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.

## 7. Fund-raising:

- Under Section 18 of the Education Act all school income and expenditure **including fund-raising income and expenditure** should be operated through the main bank account and recorded appropriately in the books of the school.
- The practice of maintaining a separate bank account for fund-raising under the sole control of the Principal should be discontinued.



## **15. Controls over Commitments**

Loans, bank overdrafts, leasing or any other instrument of debt or financial commitment may not be entered into without prior approval of the Trustees and the Board of Management. **(See Section 21)**

## 16. Controls over Capital Expenditure

**(a) Capital expenditure** is spending of a once off nature on major repairs or spending on an asset for the benefit of the school. Normally such an asset would have a life expectancy of one year or more and provide a flow of benefits over the longer term. Prior approval from Trustees is required for all capital expenditure. Trustees may issue guidelines from time to time in this regard. Such guidelines may include:

- Automatic approval for certain items of capital expenditure which can be met from ordinary school income and which are included in the school budget and approved by the Trustees.
- A specific level of capital expenditure above which formal written approval from the Trustees is required no matter what the circumstances.

**(b) Capital funding** from the DES is available for approved new buildings, extensions, refurbishment, temporary accommodation and other necessary improvement works. Formal application for capital funding is made on Form SLE (See DES website at [www.education.ie](http://www.education.ie) and DES Circular M32/02). Refurbishment which can be carried out and completed during the summer holidays will be funded under the Summer Works Scheme. All applications for capital funding require prior Trustee approval.

**(c) Fixed Asset Register:** A fixed asset register of all assets owned and acquired by the school should be maintained and updated annually. **(See Section 26 and Appendix 3)**

## **17. Control over Grants from the Department of Education and Science**

### **Guidelines for Capitation and other Grants to Schools:**

- Many grants, such as the Per Capita and Support Services Grants, are issued to schools on a per capita basis. These allocations are based on the October Enrolment Returns submitted each year by schools.
- These returns should be approved by the Principal and Chairperson of the Board as being an accurate statement of the school's enrolment, subjects and classes at the time of submission and formally recorded at the next Board of Management meeting.
- Procedures and controls should be implemented at school level to ensure that transactions related to the income and expenditure of Department of Education and Science grants are properly recorded.
- Some grants to schools are given for a specific purpose and are expected to be spent for that purpose only. Grants in this category would include the Book Grant, IT grants, all building and refurbishment grants, all Supervision and Substitution grants, Home/School/Community Liaison grants, grants to alleviate disadvantage and for special needs and start up grants for particular programmes (e.g. Adult Education, LCA and LCVP). In these cases, the Financial Reports and Accounts format should clearly identify the receipt and expenditure of the specific grant.
- The practice of opening different bank accounts for specific grants should be discontinued. It will be relatively easy to determine how a specific grant has been spent if the transaction has been recorded accurately. The school must maintain sufficient supporting documentation to enable the purpose of such discrete grants to be determined and payments from the grant to be tracked.
- All other grants may be spent on any area of school need as determined by the Board of Management.

## 18. School Accounts

One of the Board of Management's key responsibilities is "to provide and cause to be kept proper books of account" (Articles of Management 15 (a)). Section 18 of the Education Act 1998 states that "the board shall keep all proper and usual accounts and records of all monies received by it or expenditure of such monies incurred by it and shall ensure that in such year all such accounts are properly audited or certified in accordance with best practice."

The recommended format of Final (end of year) Accounts for Voluntary Secondary Schools is outlined in **Appendix 6**.

It is recommended that the school accounting year should be the academic year which runs from September 1 to the following August 31.

While the Principal has the day to day responsibility for management of school accounts, it is recommended that the day to day recording of school accounts be delegated to a dedicated accounts officer who may be an Accounts Secretary / Treasurer / Bursar.

The school's day to day accounts are ideally kept in electronic format and to this end the use of the TAS 2 accounts package with the agreed Chart of Accounts is recommended. Not all schools are required to use the TAS 2 product but whatever package is used must produce the agreed standardised format of final accounts except where discussed with individual schools or groups of schools.

At the end of each school year, all necessary steps are taken to complete the school accounts for the previous year. All financial information required is handed over to the school's accountant / auditor by the end of September at the latest. All balances are carried forward for the next school year so that there is no delay in recording transactions.

The draft annual accounts should be returned by the accountant for consideration by the Board of Management by the end of November. Once the Board of Management is satisfied that the accounts are an accurate reflection of the school's financial situation they should be signed and dated by the Chairperson and by one other member of the Board. The approval of the accounts is recorded in the Board of Management minutes and a copy is forwarded to the Trustees / Patron for their approval.

When the Trustees / Patron is satisfied with the school's accounts, a Declaration (**See sample in Appendix 7**) signed by the Trustees / Patron is sent to the Board of Management which is then forwarded to the JMB Financial Support Services Unit (FSSU) together with a copy of the final accounts by the end of February at the very latest. All schools in the Voluntary Secondary sector must, at the very least, send a copy of their annual accounts to the FSSU each year in order to comply with Section 18 of the Education Act 1998 as clarified in the Department of Education and Science Circular M36/05.

## **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.

## **20. Board of Management Finance Sub-Committee**

The Finance Committee is a sub-committee of the Board of Management established to carry out the duties assigned to it by the Board.

In establishing a Finance Committee, the Board needs to formally agree:

- Terms of reference and functions to be performed by the committee (Sample terms of reference are included with this document)
- Membership of the committee
- Tenure of office – normally coinciding with the three year term of the Board
- Reporting arrangement with the Board and Trustees

### **Functions of the Finance Sub-Committee:**

The Finance Sub-Committee monitors the financial affairs of the school and makes recommendations to the Board as appropriate. This includes the following:

- Drawing up the annual budget of the school for presentation to and adoption by the Board of Management
- Preparing and presenting regular financial reports for the Board
- Organising the preparation of school accounts for the Accountant
- Overseeing the school's asset register
- Ensuring that recommended school internal controls are put in place and followed
- Ensuring that the requirements of the Education Act and the Articles of Management in relation to school finances are met
- Complying with financial requirements of Trustees, JMB Financial Support Services Unit and the Department of Education and Science

The Committee presents an abbreviated financial report (**See Appendix 5**) to the Board at each meeting outlining the financial position of the school and a short progress report concerning the funding activities currently engaged in by the school. Any new proposal involving the raising of finance and/or expenditure by the school will require the formal approval of the Board.

**(Sample Terms of Reference – See Appendix 2)**

## **21. Bank Overdrafts, Other Borrowing and Leasing**

The Board must not incur overdrafts or other borrowing (including lease purchase, hire purchase or other similar financing arrangements) except with the prior written approval of the Trustees. Interest on such borrowing may not be charged to school funds except where the borrowing has been approved by the Trustees.

Where cash flow difficulties arise the School should review its spending plans as a matter of urgency with a view to ensuring that the School does not go into an overdraft position with its bank. The Trustees should also be informed.

No legal agreement should be entered in relation to the rental or leasing of school property before the legal documentation has been examined and sanctioned by the Board of Management and the school Trustees / Patron.



## 22. Petty Cash

If it wishes, the school Board of Management may authorise the Principal to use a Petty Cash account for amounts of a small nature only. As a general principle, all payments should be made by cheque or electronically from the school's current account. However, for the purchase of minor items, it may be more practical to maintain a Petty Cash balance which should not, as a general rule, exceed €200 per month.

The school's Petty Cash account should be maintained using the standard **imprest** system. This means that the Board of Management sets an agreed maximum figure, say €200 per month, from which small agreed expenses are paid. A cheque is written for the exact amount incurred in the previous month to bring the balance back to the agreed level (€200).

All petty cash transactions are recorded in a Petty Cash Book which is balanced off at the end of each month and signed by the Principal. A Petty Cash Docket is recorded and signed for each petty cash transaction.

Decisions concerning the size of the imprest balance and limits on the size of individual payments should be formally ratified by the Board each year. Any payments over the agreed expenditure limit should be made by cheque.

## 23. Purchasing Guidelines

- The Board of Management, through its Finance Sub-Committee, is advised to establish a set of procedures governing purchasing and should set out the arrangements for buying, receipt of goods and accounting for same.
- A purchasing policy needs to strike a balance between quality and cost, (as the cheapest is not necessarily the best) and between cost-effective bulk purchasing and inefficient overstocking. Registers of known suppliers may be built up for frequently required items but *occasional comparative checks* should be made with prices of other suppliers.
- The Board of Management should take reasonable steps to satisfy itself that reputable and competent suppliers and contractors engaged are registered with the Revenue authorities in the State.
- In all cases, where a contract (verbal or written agreement) is to be awarded for the supply of goods or services and payment under that contract is likely to exceed €6,500 in any twelve-month period, tax clearance procedures should be followed.
- All purchases, excluding routine items such as telephone, ESB and petty cash purchases, should be made on foot of an approved Purchase Order certified by the Principal. It is recommended that pre-numbered order books be used for this purpose. **(See template in Appendix 14)**
- Competitive tendering procedures as described below should always be used for the purchase of goods and services where the total value of goods and services consumed in any one year exceeds (or is likely to exceed) €6,500.
- Tendering procedures must also apply in the case of once off purchases in excess of €6,500.
- In all other cases, at least three quotations should be obtained.
- It is accepted that in respect of certain services (e.g. electrical, plumbing) which are required regularly and often at short notice that it may be more practical to select one/two contractors whose services are called upon as required, without the need to seek advance quotations for each task. In these cases, periodic comparisons of prices and quality of service between a number of contractors in the area will suffice.
- A file, containing evidence of the tendering and quotation procedures actually followed, should be retained.

### **Other considerations in the area of purchasing include**

- Procedures for issuing and authorising orders.
- Safekeeping of order books.
- Special requirements in relation to the authorisation of major purchases.
- Deciding who is to be responsible for checking suppliers' invoices and statements, goods returned, maintaining records and authorising invoices for payment.
- The need to have individual invoices checked and signed, both as regards quantity and pricing and as proof of delivery, before being authorised for payment. Checking would involve examination and cross referencing of the invoice to the purchase order, goods delivery note, evidence as to quantity and the condition of goods delivered and evidence that service has been supplied to a satisfactory standard.
- As long as the above procedures are followed, some or all of these tasks may be delegated to post holders, heads of department or other responsible personnel.

## 24. Tendering Procedures

Competitive tendering procedures should be followed for the purchase of goods or services where the total value consumed in any one year exceeds or is likely to exceed €6,500 or for a once off purchase exceeding €6,500. The Board of Management should determine, in advance, the tendering procedure to be used in each case. It is important that no allegation of impropriety should arise during the process either in relation to commercial confidence or fair treatment. The procedure must include the following features:

- Generally, three tenders must be obtained and more than that sought lest all or any invitations to tender are not accepted.
- The invitation to tender may be issued directly to firms which would be capable of carrying out the contract or supplying the goods and are of good professional standing.
- The invitation should be standard for all firms invited and contain adequate information concerning the scope and nature of the contract. Tender invitations must be based on adequate specifications which must be in generic terms rather than in terms of particular brands.
- A date for receipt of tenders must be specified. Tenders received after the closing date should not be opened. All tenders should be opened together at the date and time set for receipt of tenders. No tender should be opened in advance nor should any tender information, that may have become available through a casual remark from a supplier for example, be passed on to others.
- The opening of tenders should take place in the presence of at least three persons designated by the Board for the purpose, one of whom must be the Principal. The Finance Sub-Committee could also fulfil this function.
- Tenders should be evaluated according to the principle of obtaining best value for money. Normally, the lowest tender must be accepted but factors such as experience, previous performance, quality standards and professional reputation, should also be taken into account.
- A report of each tendering procedure and reasons for selection in each case should be presented to the Board and recorded in the minutes. This report, together with the tenders received, must be retained for audit purposes.
- Where it is proposed to accept a tender, other than the lowest suitable tender, a proposal to that effect showing the precise reasons for the course intended, must be formally put before a meeting of the Board.
- Unsuccessful tenderers should be informed without undue delay that they have been unsuccessful.
- Any relationship between a tenderer and any member of the Board of Management should be declared to ensure that the process is free from any suggestion of bias. Where there is a potential conflict of interest, the Board member should leave the meeting while the matter is being discussed.

## **25. Stock Control**

Stocks refer to class materials and other consumable goods.

The Board must establish and maintain an adequate system of stock control with the objective of ensuring that stocks of class materials and other consumables are adequately protected against loss or misuse. This must include procedures for

- Requisitioning, ordering, receiving, checking and recording goods inwards.
- Safeguarding stock – restricting access, monitoring usage and precautions against misuse, theft and deterioration.
- Arrangements for dealing with damaged or obsolete items.

It is recognised that because of the scale, variety and the amounts of such consumables in a school, it may not be practical or cost effective to institute a formal system of stock control involving detailed stock records and stocktaking procedures.

Instead, the Board must put in place procedures to monitor usage in global terms by comparing usage / cost per student over time for each category.

Allocation of annual budgets to each school department using this data would facilitate the monitoring and control of expenditure by individual department heads in this area.

## **26. Control over School Assets**

The school Board of Management should establish and maintain an appropriate system of control over all assets and tangible moveable property owned by the school. For the purpose of these guidelines an asset is any property acquired by the school which is intended for use on a continuing basis for more than one year. The system should provide procedures for:

- The maintenance of an Asset Register
- Authorisation and purchasing
- Receiving, checking and recording of assets
- It is recommended that each item be stamped with the school name and an unique identifying number when it is first received
- Responsibility should be assigned for maintaining the school's Asset Register, for making regular physical checks and for investigating any differences detected
- Security and safeguarding of assets
- Movement of items
- The maintenance and safety of assets
- Dealing with obsolete or damaged items
- A complete check and inventory of all assets to be carried out annually. Appropriate entries and adjustments are made to the Asset Register and approved by the Board once completed

The school assets referred to here include:

- Items of furniture such as tables, desks and chairs
- Audio / visual equipment such as televisions, DVD players, CD players and recorders and overhead projectors
- Computer equipment for both administrative and educational purposes
- Sports equipment
- Equipment for specialist subjects such as Home Economics, Woodwork, Engineering, Technical Drawing, Art and the Sciences
- Office / class equipment including photocopiers and telecommunications equipment
- Books including school books and library books
- Maintenance and ground equipment such as lawnmowers and garden tools
- Vehicles

**(This is not intended to be an exhaustive list.)**

The maintenance of an Asset Register is an important control to safeguard assets once they arrive in the school. Entries in respect of new items purchased should be made and initialled by an authorised person (e.g. Secretary, Principal, Deputy Principal, designated post-holder) as soon as the asset passes into school ownership. Ideally, each asset should be stamped with an unique identifying number. Typically, the Asset Register will show the date of acquisition, a brief description, cost and identifying number. Entries are also made for assets being written off or disposed of by the school.

**(Sample School Assets Register – See Appendix 3)**

## **27. Use of the School Premises by Outside Bodies**

The use of the school premises by other bodies increases considerably the exposure to claims for compensation over and above those arising from the use of the premises as a school.

The Board should establish an appropriate system of control and maintain a separate record of all lettings. Payments made to the school each year in respect of general overhead costs incurred by the lettings must be identified.

The Board determines the circumstances in which use may be made for community purposes of the school buildings or grounds. The Board should prepare regulations and conditions governing the terms on which school facilities may be used.

The Board ensures that no body is granted a lease or rental agreement or right which could in any way give occupancy rights to the user group. Any legal instrument created for granting the usage of any school facility requires prior approval from the Trustees.

Where lettings are granted, the Board should ensure that an agreement is entered into which takes account of the following requirements:

- Usage should not affect school work in any way.
- Lettings should not result in a net cost to the school, taking attendance of school personnel, wear and tear, heat, light and power and other overheads into account.
- Applications for use of school facilities should provide the Board with full information and should be from bodies which are properly constituted with a responsible person nominated to take charge of the activity.
- Caretaking arrangements need to be put in place especially to control the opening and closing of school premises.
- Health and Safety guidelines are addressed.
- Child Protection Guidelines are followed.
- The Board may also wish to specify that the activity in question be in keeping with the ethos of the school.

Persons or organisations using school facilities must be required as a first step to obtain suitable insurance cover to indemnify the school against any claims that may arise from their use of school facilities. In the case of a Parents' Association, the school's Custodian Protection Policy may be extended, at the request of the Board of Management, to cover the Association's legal liability for damages and legal costs arising out of a school related activity which has been approved in writing by the Board.

## **Requirements regarding the hire of school facilities**

Where a school offers any of its facilities e.g. halls, sports facilities for use by a third party, it is most important to ensure that the school takes all reasonable steps to ensure that it is not put in a position where they could be liable to any person who suffers damage of any kind (e.g. injury) on the school premises in connection with the activity being organised by the third party.

Accordingly, Boards of Management are recommended to adhere to the following guidelines when hiring out any part of the premises of such a school.

- An insurance policy should be effected by the 3<sup>rd</sup> party indemnifying the school and the Trustees against any claim arising out of the third party's presence on school property.
- The policy must be inspected by the school authorities and a copy retained for school records.
- It should be a condition of the permission for the third party to use the school's facilities that it gives an undertaking to notify the school of any change in cover in its insurance policy.
- It should also be a condition of the permission to use the school facility that the school be authorised to write to the insurance company requesting to be notified of any change in the policy as it affects the indemnity.
- The third party should be informed that in the event that the policy should cease, the permission to use the school facility shall be withdrawn immediately. The school authorities must be notified immediately of the cessation of insurance cover.
- Steps should be taken to ensure that persons / groups hiring school facilities are aware of their responsibilities under health and safety legislation.
- All activities carried out on school properties must comply with all legal and taxation legislation.

**(See Appendix 11)**



## **28. School Insurance**

All Insurance policies should be in the name of the Trustees / Patrons of the school. It may be necessary to name the Manager / Board of Management and the Trustees in the policies.

Insurance of the Plant against fire, lightning, aircraft and explosion, storm, burst pipes, floods, earthquake and impact is essential. Loss or damage from burglary and glass breakages is also insurable. The following list is a useful checklist when considering insurance cover:

- Buildings and Contents are required to be insured against fire, smoke, storm / tempest, bursting and escaping of water or oil, flood, impact, riot, civil commotion, vandalism, removal or attempted removal of contents
- Accidental damage to underground pipes
- Breakage of fixed glass and sanitary fittings
- Breakage or collapse of TV aerials
- Theft of lead or copper
- Loss of cash
- Loss of or damage to frozen goods
- Consequential Loss
- Sudden and unreasonable damage to low pressure hot water units
- Accidental damage to audio-visual equipment

The **Custodian School Protection Policy** is an amalgamation in one document of all the insurance covers which a school should prudently have.

The policy is divided into six sections:

1. Loss or damage to school property
2. Consequential Loss (i.e. financial loss resulting from damage covered by 1)
3. Loss or theft of money
4. Liability of the school to employees and other persons
5. Indemnity to the Management
6. Legal Expenses

#### **1. Loss or Damage to School Property:**

**“If during the period of insurance school property is lost, stolen or accidentally or maliciously destroyed or damaged the insurance company will pay the amount of the loss or damage or at its option repair, reinstate or replace the property.”**

This section covers both **buildings and contents**.

##### **Buildings** include

- Land for which the school authorities is responsible including boundary walls, gates, paths, fences, lawns, trees and shrubs.
- Minor outbuildings, swimming pools, playing surfaces (except synthetic pitches) and shrines.
- Fixtures and fittings including fixed notice boards and signs, fixed external lighting and security equipment, television and radio aerials and dishes, tanks and services (including underground services).

##### **Contents** include

- All furniture, furnishings and apparatus and other property not included in buildings including audio-visual equipment, computer equipment, office equipment, musical instruments, trophies and fuel.
- Personal effects of students, employees and visitors.

**N.B. Check policy details for EXCLUSIONS. For example, an IT threat (such as a computer virus attack) is NOT covered; similarly loss, destruction or damage to gates, fences, lawns, trees, shrubs or moveable property caused by storm, flood or malicious damage is NOT covered.**

In checking the school's insurance policy, care should be taken to accurately describe the property especially where there is more than one building involved with each building showing an adequate sum insured. If it has not been done for some time, a **professional valuation of school property** is desirable. It is the only way of ensuring that the sum insured, for which the Board of Management is responsible, is adequate. The **sum insured** is critical as it is the maximum liability of the insurer in the event of loss. The sum insured on the building is the full cost of rebuilding while the sum insured on contents represents the cost of replacement in the event of total destruction.

### **Specific Issues:**

- The property and personal effects of teachers and students are covered by the policy where loss or damage occurs as a result of loss or damage to the building. However, in respect of theft there must be evidence of forcible and violent entry to or exit from the building. This means that property lost or mislaid or in the open (e.g. bicycles in an unlocked shed) is not covered.
- It is very common for teachers, other staff and students to park their cars in school grounds. The Board of Management may make spaces available but they do not undertake the safety or security of the vehicles. Cars are parked on school grounds at the owner's risk. It is recommended that a disclaimer notice be affixed to the wall to the effect that the Board of Management does not accept liability for loss or damage to cars parked in school grounds.
- The Custodian School Protection Policy covers loss or damage to low pressure central heating systems including pipes and radiators. Plant and equipment such as lifts or any high pressure equipment must, by law, be inspected and are only covered by insurance if a certificate of compliance is held. To safeguard heating systems, adequate frost protection measures should be taken.

## **2. Consequential Loss**

**Consequential loss means that the insurance company will cover financial loss resulting from damage covered in 1 above.**

If as a result of loss or damage to any of the buildings normal duties and activities cannot be carried on, increased costs such as the hiring of alternative premises or obtaining temporary classrooms may accrue leading to a loss of revenue. The school's policy protects against such financial loss suffered by the Board of Management during this period of interference or interruption. The financial loss suffered is limited to 15% of the sum insured on the building.

In the event of damage to a school, 15% is normally adequate if the school has access to enough land to erect temporary accommodation.

Loss of school fees and loss of revenue from the hire of school buildings are also covered under this section.

### 3. Loss or Theft of Money

This section covers the loss of money belonging to or in the care of the school up to particular limits. The principal limits in the policy are:

- |   |          |
|---|----------|
| • Crossed cheques / money orders                | €320,000 |
| • In a locked safe or during school hours       | €6,350   |
| • Outside school hours and not in a locked safe | €320     |
| • In transit or a bank night safe               | €6,350   |
| • Financial loss due to misuse of a credit card | €3,200   |

All schools should have the use of a solid, secure, fixed safe in which all money and valuable documents are stored.

### 4. Liability of the School to Employees and Other Persons

This section covers the legal liability of the Board of Management under two headings

- Employers' Liability
- Public Liability

**Employers' liability** insurance indemnifies the Board of Management in respect of its legal liability to employees – teaching staff, secretaries, caretakers, cleaners, supervisors etc. – arising out of and in the course of their employment. If an employee is deemed to have been injured as a result of the negligence of the Board of Management, any legal costs and expenses and damages awarded by a court are covered. The Board of Management may become legally liable if an employee suffers injury as a result of the Board of Management's failure to take reasonable care in the provision of a safe place of work, in failing to provide suitable and safe equipment, or in failing to provide a safe system of work. The Board may also be liable where one employee is injured as the result of negligence of another employee.

**Public liability** insurance indemnifies the Board of Management in respect of its legal liability for accidents to persons, other than employees, or damage to their property. Public Liability insurance relates to accidents to students or other members of the public occurring

- On or about the school premises.
- Away from the school premises and engaged in a school-related activity.

**A school related activity is “any activity usual to a school and which is carried out with the full knowledge and authority of and under the control of the Board of Management or any other person specifically authorised by them”.**

Legal liability can attach to the Board of Management as a result of accidents arising from:

- Defects in the school premises, furniture, equipment or other property.
- Failure to exercise adequate supervision over students.
- Failure to take reasonable care to avoid accidents to students or members of the public.
- Failure to ensure that goods supplied, including food and drink consumed on the premises are fit for the purpose for which they are intended.

If a student or other person is deemed to have been injured as a result of the negligence of the Board of Management, the Board is protected in respect of their legal liability to pay legal costs and expenses and damages arising from such injury.

The policy indemnifies the Trustees / Patron and Board of Management in relation to their legal liability to all persons including children, parents, teachers, all other employees and visitors to the school.

**Negligence** is defined in law as “**the omission to do something which a reasonable person would do or doing something which a reasonable person would not do**”. The “reasonable person” is defined as “the ordinary person in the street”. In effect this means that we all owe a “duty of care” to ensure that all our actions are reasonable.

**Duty of care** means that we have a legal responsibility which requires that what we do (or not do) must be reasonable and causes neither injury nor damage. A school has a duty of care to

- Ensure that the premises, grounds, furniture and equipment are safe and free from any defect likely to cause injury or damage,
- Take such care of the students as a sensible, careful parent would take if placed in circumstances similar to those which pertain in a school (“in loco parentis”).

Failure to take the required duty of care resulting in injury or damage may render the school and/or Board of Management legally liable to pay for damage and costs.

For **groups or persons using the school outside normal school hours**, the Board of Management is protected under the policy in respect of its legal liability. Claims usually arise in respect of defects in the premises. The group or persons using the school can incur their own liabilities arising out of **their** activities and should therefore have their own insurance to cover such liabilities. **(See Section 27)**

In the case of a Parents’ Association / Council the school’s policy may be extended, at the request of the Board of Management, to cover the Association’s legal liability for **damages** and **legal costs** arising out of a school related activity which has been approved in writing by the Board.

## 5. Indemnity to Management

This section of the policy covers the legal liability of the Board of Management only. It deals with two issues:

- **Professional Indemnity** which covers the Board against actual or alleged acts, errors or omissions, breach of duty, trust or confidentiality, libel or slander committed in good faith.
- **Fidelity Guarantee** which provides cover against the dishonesty of an employee, member of the Board, or other person acting on its behalf in the embezzlement of money or property.

The Board of Management is covered for any legal liability arising from the wrongful actions of staff or employees, but the individual staff member or employee is not.

## 6. Legal Expenses

Under previous sections, the Board of Management is covered for legal costs incurred in the **defence** of legal actions against the Board. This section covers the Board of Management for legal expenses incurred when a legal action is **pursued by the Board** in certain circumstances.

A claim under this section will only be accepted if it “offers reasonable prospects for success” and only if the Board has sought the approval of the insurance company **before** incurring the legal costs.

Under this section the type of legal costs covered are

- Legal costs incurred in relation to:
  - **Pursuit** of legal proceedings where there is dispute between the school and any of its employees.
  - **Pursuit** of legal proceedings where there is a dispute between the school and any student, past student, prospective student or their parent / guardian.
- Legal costs incurred in relation to **pursuit** or **defence** of legal proceedings in relation to:
  - A dispute in relation to a contract for the sale, purchase or hire of goods or services.
  - Damage caused to the school or any infringements of the legal rights of the school in relation to their ownership or occupation of the property.
- Legal costs incurred in any inquiry or investigation which may result in a claim under the policy.

## Other School Insurance Issues

- **Health and Safety Issues:**
  - Emphasis on **safety** can directly affect the avoidance of claims
  - Develop a school **Safety Awareness Programme**
  - Ensure that the school has an up to date **Safety Statement**
  - Keep an accident book and record **ALL** incidents, however trivial
  - Be aware of the school's **Duty of Care** to all students, employees and visitors to the school
- **Teachers**
  - **Supervision** and the teacher's duty of care
  - Teachers carrying **students in their own cars** (See Page 47)
  - Teachers using their **cars on school business** (See Page 47)
  - Teachers arranging **Work Experience** for students
  - School **trips and tours**
  - Training in **First Aid**
- **Fire Safety**
- **School Security**
  - **Physical security** such as fencing, locks, strong room and safe
  - **Electronic security** such as burglar alarms, sensors and CCTV
  - **Management issues** such as graffiti removal, storage of equipment, locking of doors and windows
- **Personal Accident Insurance**

While there is no legal obligation on a Board of Management to provide Personal Accident Insurance, it is in the school's interest to encourage students to take out such cover which is relatively inexpensive.

## Use of Teachers' Cars for School Business

Liability for passengers in a car in any capacity is a matter solely for the teacher's motor insurance. However, any liability which attaches to the Board of Management in the event that the teacher's insurance should prove defective, should be covered by the Custodian School Protection Policy.

Like any individual they are free to arrange their motor insurance with whatever insurer they wish. However, teachers may be in a position where they need to carry students to sports events or to hospital in an emergency for example. In order to include the carrying of students and school equipment, teachers are advised to extend the Class 1 usage of the vehicle (for Social, Domestic and Pleasure usage) to include **"and by the insured in person for his/her business."** There should be **NO** additional premium required by insurers for this addition.

The teacher's motor insurance will cover any liability arising out of the use of the car. If comprehensive cover has been arranged then it will also cover damage to the teacher's car. There will however be an **excess** and the possible loss of a **No Claim Bonus / Discount**. The school's Custodian Policy has been extended to include such financial loss by the teacher in the event of involvement in an accident while using the car on behalf of the school. Even where the teacher's policy is not comprehensive, the school's Custodian Policy should cover damage to the teacher's car in the event of an accident while using the car on behalf of the school.

**N.B. The contents of this section on School Insurance are based on the Guide to Insurance produced by Allianz Church and General and represent a summary of the main points of interest. For detailed guidelines or clarification, the school authorities are advised to contact Allianz directly.**



## **29. Funds Generated by Activities Organised / Administered Within the School**

Every school has experience of activities which are organised within the school framework by teachers and/or school management and which may involve significant flows of money. The activities in question are for the benefit, enjoyment and development of students and often involve significant voluntary input. They can make a very valuable contribution to the specific needs of students and promote the school's educational aims and objectives.

The invaluable contribution and effort of all those in the school community who organise and administer such activities is widely recognised and may involve the following:

- Organisation and management of such activities as school tours, school teams and games, drama, public speaking, musicals and quizzes.
- School trips of an educational nature.
- Activities for Transition year students.
- Facilitation of fundraising activities by Parents' Associations, Past Pupils' Unions and other bodies who generously contribute to school development.
- The provision of tuck shops and canteen facilities.
- Fund raising within the school in aid of external charities and worthy causes.
- The provision of informal assistance in cases of need.
- Use of the school's facilities by the local community and groups external to the school.
- And, on the negative side, the collection of school fines imposed as sanctions.

All of these activities may involve the collection and spending of money, some of which can be quite considerable e.g. school tours abroad. For this reason it is important to recognise the need to:

- Provide a framework for the protection of all involved.
- Safeguard the interests and good name of the school.
- Ensure accountability to the providers of funds.

The Principal, Staff and Board of Management should carefully consider the following in relation to the activities listed above:

- The appropriateness of the undertaking.
- The structure, level and extent of segregation of duties and financial controls required.
- Any staffing arrangements and obligations arising.
- The increased obligations on the school Principal and Board of Management.
- Legal obligations such as taxation requirements and legal requirements around the organisation of school tours going outside the State.
- Legal arrangements around the renting / hire of school facilities.

## **Tuck Shops**

With regard to the operation of tuck shops and similar activities by schools the Board should also carefully consider the following

- The appropriateness of such activities and undertakings.
- The management structure and the level and extent of segregation of duties and internal controls required.
- The staffing arrangements and obligations arising therefrom.
- The increased obligations (e.g. Revenue authorities and possible VAT implications) on school management and on the Board.
- The possibility of franchising / renting out the facility under a legal agreement approved by the Trustees / Patron which may relieve or reduce school management responsibilities in this regard.

### **Procedures in respect of Funds Administered within the School:**

1. Separate financial records should be maintained for all such activities. The Board of Management and Principal should establish whether or not a special Bank Account should be opened for the activity in question. An account should only be opened if the activity is complex and involves a significant amount of money and requiring more than one person to be involved in its administration.
2. The number of bank accounts operated by the school should be kept to an absolute minimum. Where a special account is opened it should only be used for transactions involving the activity in question and should be closed as soon as the activity comes to an end. There should be two signatories on all documentation relating to the account, one of whom should be the Principal.
3. A minimum of two persons should be involved in the administration of the activity and account e.g. a school tour.
4. Accounts and records relating to the activity should be reconciled at regular intervals.
5. A financial report on the activity should be submitted to the Board of Management at least twice during the school year and a final report when the activity is completed. The account should be integrated into the main school accounts and submitted for audit at the end of each year together with the regular school accounts.
6. Where practicable, receipts should be issued for all monies received. Where this is not deemed to be practical, a suitable record to identify the origin and purpose of the receipt should be maintained e.g. list of students and amounts paid, cash register etc.
7. Money should be retained in a secure safe and in accordance with approved insurance limits and should be lodged without delay.
8. Invoices and receipts should be retained to support all payments. Where this is not practical, a written record showing details of the payment or receipt should be retained.
9. All payments, where appropriate, should comply with Revenue requirements.

10. Adequate insurance cover must be available for such activities where appropriate.
11. Wherever possible, inter-account transfers should be avoided.
12. Deficits and borrowing to support the activity must be avoided at all costs. In any event, the school must not be exposed to any liability in respect of the activity.
13. Care should be taken to ensure that school staff are not involved in any activity where they may be compromised or where any conflict of interest might apply.
14. A register of approved activities should be maintained which may contain:
  - Name of the activity / fund
  - Date of approval
  - Details of bank account if any
  - Names of the personnel responsible for the activity or account
  - Names of cheque signatories together with samples of their signatures
  - Any other matter pertaining to the activity deemed necessary by the Principal or Board of Management
  - Date of closure of account
15. Each year the school should carry out a review of all such activities in order to establish their continued necessity. All dormant accounts should be closed and any necessary disbursements made.

### **30. Other Activities (including fundraising activities) Administered by Third Parties with the Approval of the Board**

The Board of Management is responsible and accountable for all fundraising carried out under its auspices and appropriate control arrangements should therefore be put in place. Only the Board of Management can authorise the use of the school name for fundraising or other external activity. The Board should be satisfied that where such activities are authorised the good name of the school and of its staff is protected at all times.

In some cases this type of fundraising is organised by recognised bodies such as a Parents' Council / Association or a Past Pupils' Union and may include such ventures as Golf Classics, Raffles / Ticket Sales, Fashion Shows, Lottos and so on.

The Board must ensure:

- That there are appropriate controls, financial, accounting and otherwise in place.
- That all legal obligations are fulfilled.
- That appropriate records are maintained.
- That Health and Safety concerns attaching to each activity are considered and provided for.

Involvement in any fund raising activity must not involve any cost shortfall being met from school funds either on a temporary or a permanent basis. School funds must not be used for the purpose of making any payments or accepting any receipts in connection with any fundraising activities no matter who organizes them.

Separate financial records should be maintained to manage and control funds arising from activities / undertakings authorised by the Board. An annual report setting out income and expenditure for each activity together with opening and closing bank / cash balances, assets and liabilities must be presented to the Board for its consideration and approval within three months of the year-end and included in the school's financial statements for that year. The books and accounts must be available to the Trustees. When the proceeds of fundraising activities are passed over to the school, the receipts should be lodged in the main school bank account and expended in accordance with the financial guidelines.

In certain circumstances the Trustees may request the Board to have the accounts for all or some of these activities audited independently. This would occur where the amount turned over by such activities is considered to be of such significance that independent assurance is required regarding the financial position of the activities concerned and the presence and operation of internal controls. Indeed, some Boards may, considering the nature and complexity of the activities undertaken, decide to have the accounts for these activities audited.

The Board must decide the circumstances and the manner in which fundraising is to be undertaken. Authorisation for each such activity must be evidenced by a separate Board minute specifying the purpose and nature of the activity involved.

The Board should also satisfy itself that groups, such as Parents' Associations or Past Pupils' Unions, are properly constituted and have adequate internal accountability arrangements and controls. All such funds raised for the benefit of the school should be transferred to the school account and then paid out by the school authorities.

Equipment donated to the school by outside bodies must be recorded in the assets register.

Where it arises, the Board may need to make arrangements for the acceptance of subventions or donations towards specific objectives other than for the general direction and government of the school. Before accepting such subventions the Board should take reasonable steps to satisfy itself that the donor is reputable and of good standing.

Where the Board, having considered the above, decides to operate directly such an undertaking, the control arrangements set out in these Guidelines must be strictly followed.

Parents' Association and Students' Council Funds and Accounts should conform to the same procedures laid down for school accounts and should be supervised in the same way as other school accounts.

### **31. Adult Education**

In relation to adult education courses, the Board must put in place appropriate procedures and controls to ensure that such courses are operated to the extent that the activity is self-financing. Relevant conditions and procedures are set out in Department Circular Letter 46/00. Where pay costs e.g. tuition, caretaker, are met from school funds initially, care should be taken to reimburse the school account from the Adult Education Account.

The Adult Education Programme must be accounted for separately from other school activities. A statement of Receipts and Payments must be included in the Financial Report. A separate bank account should be used for the Adult Education Programme. The Board may employ tutors at approved rates for adult education activity in accordance with Department of Education and Science guidelines.

## **32. Supervised After School Study**

### **1. After School Study**

In recent years, it has become the practice in many non-boarding schools to organise Supervised After-School Study for students. The study session(s) normally take place between 4.00 p.m. and 6.00 p.m. with some schools offering further sessions later in the evening and on Saturdays. As this is a voluntary activity for non-boarding students, after school study normally involves a cost on students and their parents which many are quite willing to pay because of the service it provides.

There is a body of opinion which views after school study as being educationally beneficial and desirable from a teaching and learning point of view. Parents regard it as desirable and are willing to pay for the service because the school may be able to provide facilities which might not be available at home.

### **2. Current Models**

All of the following are models currently in use:

- Supervised Study is organised by a teacher under the Post of Responsibility structure. In some circumstances, this approach works well. However, this may sometimes place an additional burden on the administrative staff of the school and would remove a post from the In-School Management structure where the school might have a more pressing need at middle management level. The Board of Management, following consultation with the staff, will need to decide the priority needs of the school which, in turn, will determine whether or not after school study is included as a post of responsibility.
- Supervised Study is organised by an individual(s), usually a teacher(s), on an agreed paid basis. In this case, the revenue from the students paying for after school study will have to be sufficient to cover the cost of paying the organiser.
- Supervised Study is organised through the existing administrative structure within the school. This approach may place an unacceptable burden on the Principal, Deputy Principal and administrative staff in the school.
- Supervised Study is organised and administered by an individual or group (who may or may not be teachers in the school) on a private enterprise basis with the school authorities having no involvement whatever. This model is acceptable and does not expose the Board of Management to any liability provided all of the following conditions apply:
  - The organisers apply to the Board in writing seeking permission to use the school premises for after school study in the same way as any other group would apply.
  - The organisers provide proof of insurance cover.
  - All costs such as heating, lighting, security and rental costs are covered.

- The Board is satisfied that the supervision of students is adequate and that all health and safety issues are covered.
- Communication with students and parents is done by the organisers and not associated with the school (e.g. school letterhead should not be used.)

**It must be stressed that whatever model is used, the Board of Management has a responsibility to ensure that it is complying with all legal requirements such as health and safety legislation, insurance requirements and income tax / PRSI obligations.**

### **3. Board of Management Responsibilities**

It is the responsibility of the Board of Management to ensure that an appropriate system of control is in place to govern all activities carried on in the name of the school or occurring on school premises, including any situation where the school takes responsibility for organising after school study. **In particular, all income generated by after school study must be lodged in the main school bank account and all payments incurred paid out of this same account.** The cost of after school study should be sufficient to cover all costs associated with the activity and all payments to supervisors and organisers must be subject to income tax and PRSI deductions and appropriate returns made to the Revenue Commissioners.



### 33. Book Grant Scheme for “Needy Pupils”

1. Each school year, an allocation is provided to applicant schools by the Department of Education and Science under its scheme of assistance for the purchase of school books for/by needy students.
2. The grant allocation for a school year is based on information about the number of needy students assisted in the previous year as submitted by the school. The term “needy” is clearly defined in the scheme. The grant is relatively higher to schools which operate a Book Loan or Rental Scheme.
3. Principals have discretion, subject to the terms of the scheme, in the manner and amount of assistance given to individual “needy” students. The manner of assistance may be in the form of:
  - Direct provision of textbooks on a return or non-return basis
  - Through a school Book Rental or Loan Scheme
  - Cheque payment to the family of a needy student (least desirable option)
  - Book Vouchers
4. The amount of assistance to individual students may be fixed at the discretion of the Principal having regard to the total and relative levels of need and available resources.
5. The scheme only applies to “needy pupils” in schools in the free education scheme.
6. A needy student is defined as a student from a family where there is:
  - Genuine hardship because of unemployment or short time working
  - Prolonged illness of a parent
  - Large family size with inadequate means
  - Single parenthood
  - Other family circumstances (e.g. alcoholism) indicating a similar degree of financial hardship
7. The Department of Education and Science guidelines recommend dividing such families into the following three categories:
  - Families which are dependent mainly on **social welfare payments**
  - Families on **low incomes from employment** (Such families should be in receipt of the Family Income Supplement (FIS) or beneficiaries under the Back-to-School Clothing and Footwear scheme)
  - Families which are experiencing **financial hardship** because of particular circumstances in the home

**N.B. Entitlement to a medical card is not necessarily an indication of eligibility.**

**8. The following guidelines are recommended to operate the scheme at school level:**

- Each year the school submits an application for a grant allocation to the DES on the official application form indicating the number of eligible students in the previous school year
- Based on this application form a grant is devolved to the school which must be expended for this purpose
- The Board of Management does not get involved in the consideration of individual cases but should devise general criteria for assisting eligible students and oversee the operation of the scheme by the Principal and other staff members involved
- The Board should agree an application procedure which will be publicised within the school and which gives consideration to the sensitivities of students and their parents
- Depending on the manner of assistance given, receipts should be signed and dated by parents / guardians
- The receipt and disbursement of the Book Grant should be clearly recorded in the official school accounts
- The operation of the scheme is subject to normal internal controls and record keeping

**9. Book Rental Schemes**

A consultancy report (School Books in Ireland: Cost to Parents by Cooney / Carey 1994) commissioned by the DES came to the conclusion that book rental schemes offer the most practical method of curtailing the cost of school books to parents.

Where such schemes are established they operate on a self-financing basis with costs met by rental income. In the case of needy students, the amount of the appropriate rent may be paid in full or in part on their behalf into the book rental scheme from the school's allocation under the book grant scheme.

The operation of a book rental scheme may be more equitable and cost effective for students and their parents but it does impose a significant administrative burden on the school especially for the first year or two.

**(See Appendix 4)**

### **34. Payment of Travel and Subsistence Allowances to Personnel in Voluntary Secondary Schools**

The Board of Management of a Voluntary Secondary School may agree to pay travel and subsistence allowances to various categories of personnel in accordance with guidelines and rates as determined by the JMB. These allowances may be paid for travel by Board members, selection committee members and employees of the Board engaged on Board or school business. Claims may be allowed only to the extent that they can be met from current resources and within the limits set down in the annual school budget and approved by the Trustees.

Expenditure on travel and subsistence should be strictly appraised and monitored. It is the duty of the Principal and Board of Management to ensure that only essential travel is undertaken and every effort is made to keep such expenditure to a minimum.

The categories of school personnel to whom travel and other allowances may be paid and the recommended rates of such allowances are as follows:

**1. The Principal of a Voluntary Secondary School** may be paid expenses for necessary travel to carry out school business either in his/her capacity as Principal or as Secretary of the Board of Management for the following:

- Attendance at funerals of immediate family of staff or students
- Attendance at educational functions at which the Principal represents the school
- Attendance at in-service or other educational events directly related to the professional development of the Principal
- AMCSS / JMB and NAPD regional meetings
- Annual Conferences of AMCSS / JMB and NAPD
- Expenses may be paid for attendance at school (outside school hours) for meetings of parents, Parents' Council, or other official meetings including Board of Management meetings. However, as the **school** is the Principal's place of work, these expenses **are** subject to tax
- Other functions as previously approved by the Board of Management

When the **Deputy Principal** carries out these functions, the same provisions apply.

**2. The Chairperson of a Board of Management**, by agreement with the Board, may be paid travel and subsistence allowances in the following circumstances:

- Attendance at meetings, other than Board of Management meetings, where the Chairperson is representing the school or at meetings which are relevant to school business
- Attendance at educational events related to school or educational development
- Attendance at AMCSS / JMB regional meetings
- Attendance at Annual Conference of AMCSS / JMB

3. **Board of Management members** by agreement, may be paid expenses for necessary travel, other than attendance at Board of Management meetings, to carry out school business either as a representative of the Board or of the school.

The recommended current rates of travel and subsistence allowances payable to Principals, Chairpersons and Board of Management are outlined in **Appendix 12**.

4. **Teachers employed in Voluntary Secondary Schools** may be paid expenses for travel on school business approved by the Principal and Board of Management e.g. supervising work experience, use of own car to travel to school extra-curricular activities for which the teacher is responsible.
5. **Non-teaching employees of a Board of Management** may be paid expenses for journeys necessarily undertaken by them in the performance of duties subject to prior approval by the Principal or Board of Management.

### **Verification of Claims:**

The Board of Management should determine the types and categories of school business for which expenses may be paid. In general, the business should be substantive and essential to the operation of the school. The Board of Management should ensure that each claim for expenses is verified by the Principal and by the Chairperson where the Principal is the claimant. Employees of the Board must have prior approval from the Principal before incurring expenses for which they intend to make a claim.

### **General Guidelines and Conditions**

- Travel expenses will not be paid in respect of any portion of a journey which covers all or part of a person's usual route between home and school.
- Travel and subsistence allowances will not be paid in the case of DES sponsored in-service or activities which are financially covered by the DES or other external agency.
- The mileage year for purposes of payment of motor mileage rates shall be the calendar year.
- Travel should be by the shortest practicable route and by means of public transport where this is conveniently available.
- Where more than one person is travelling to the same meeting, arrangements should be made to avoid the unnecessary duplication of the use of more than one car.
- Subsistence allowances will only be paid for vouched expenditure on meals and necessary accommodation. Receipts must be presented to an payment sanctioned by the Principal or Chairperson of the Board.
- Subsistence allowances are not intended to meet the whole cost of subsistence when absent from home and headquarters and is not intended to be a source of emolument profit.
- Travel and subsistence claims should be submitted immediately and in any event within one month of the journey having been made.

## Procedure

- Claims for travel and subsistence allowances should be made through the Principal as Secretary of the Board of Management on a claim form, a sample of which is included with this document. **(See Appendix 13)**
- All claims should show the purpose of the journey, the mode of transport used, the capacity of the engine in cc's, the total mileage travelled, actual dates and times of departure and return.
- The Principal and Board of Management shall check the claim and be satisfied that the claim satisfies the guidelines above.
- All expenses should form part of the annual school budget and review.
- All such expenditure should be clearly identified in the school's financial records and in the annual accounts.
- Principal, members of the Board and employees of the Board who are required to use his/her card for official business will require authorisation to do so. Each person so authorised must sign the undertaking provided to **Appendix 13**.
- The authorised original claim shall be retained by the Board and be available for inspection.
- If from time to time any expense issue arises which is not covered by these guidelines, the Principal should bring the matter to the attention of the Chairperson who will decide what response is appropriate.

**N.B. There is no option to pay a person for a day in lieu of work as a tax free expense. However, it is possible to pay a sum of money which would be regarded as income and subject to PAYE / PRSI in the normal way and declared to the Revenue Commissioners.**

## Appendix 1

### **The Articles of Management for Catholic Voluntary Secondary Schools and the Financial Responsibilities of Boards of Management**

The guidelines for the operation of Voluntary Secondary Schools are set out in the “Articles of Management for Catholic Secondary Schools” (“the Articles”). CMCSS has published “A Manual for Boards of Management of Voluntary Secondary Schools” (the “Manual”) which, among other things, expands and clarifies the Articles. This document will deal only with the financial aspects of these guidelines. The Department of Education and Science (the “DES”) has also issued various circulars and regulations which deal with specific aspects of its funding to Voluntary Secondary Schools. Some Trustees / Patrons have also issued guidelines to their own schools in relation to financial matters based on the Articles.

#### **Articles of Management**

The Articles were developed for use by **Catholic Voluntary Secondary Schools**. They are primarily concerned with the roles, responsibilities and duties of Boards of Management of these schools and the manner in which they should operate. Articles 2, 15 and 27 are the relevant Articles dealing with financial matters while Article 28 deals with the indemnification of Boards of Management by the Trustees.

#### **Article 2(a):**

*“The conduct, management and financial administration of the school shall be under the control of the Board of Management (“the Board”) which shall exercise the powers hereinafter conferred, subject to the general supervision and control of the Trustees for the time being.”*

Under Article 2, the responsibility for the day to day running of the school is delegated by the Trustees to the Board. However, the Trustees are the legal owners of school property and as such only the Trustees can make decisions affecting the structure of the premises. In general, the Trustees are ultimately responsible for ensuring the financial well-being of the school.

## Article 15

This Article sets out the financial responsibilities of the Board.

- 15 (a) *“The Board shall be responsible for all business carried on in connection with or on account of the school. It shall provide and cause to be kept proper books for the entering of the accounts of the school and the minutes of the proceedings. The Board shall open an account in a bank in the State, in its name to which all monies in relation to the school should be lodged.”*

Article 15 does not specify what constitutes proper books of account. At a very minimum all schools are required to maintain a Cash Receipts and Cheque Payments book. Most schools follow the format provided by the Secretariat of Secondary Schools. Some books of account are still maintained manually but an increasing number are using a computerised accounting package. In many schools the school secretary is still responsible for writing up the books of account. Ideally, however, schools are advised to appoint a dedicated Accounts Secretary / Treasurer / Bursar to fulfil this financial function.

- 15 (b) *“The Board shall be responsible for a sufficient annual contribution to the Trustees to service any debts as to interest, capital and licence fee on the school property, but the Trustees may, in exceptional circumstances, waive all or any part of this commitment in any one year.”*

The interpretation of what constitutes a licence fee differs from one Trustee group to another. In some cases there is a fixed charge, for others it is a per capita charge and for others there is no charge at all.

- 15 (c) *“The Board shall be responsible for day-to-day running expenses and shall be charged with the responsibility of ensuring that expenditure does not exceed income. It shall submit a forward budget and financial report to the Trustees annually.”*

This Article makes it clear that the Board must ensure that expenditure does not exceed income without the prior approval of the Trustees. The Board is responsible for **all monies** coming into the school from whatever source and for **all expenditure**. **All** income and expenditure relating to the operation of the school should be recorded in the books of account. The Board must ensure that proper forward budgets are prepared and annual accounts prepared.

- 15 (d) *“The Board shall set up a Sub-Committee on Finance consisting of the Principal and two Board members, and shall have powers to invite additional persons having specific expertise in financial matters to membership of the Sub-Committee. The Sub-Committee shall propose, prior to the commencement of the accounting year, the annual budget to the Board for adoption. This Sub-Committee shall meet regularly and shall report to the Board at least once in each school term.”*

The accounting year for schools will generally be the academic year which runs from September 1<sup>st</sup> to the following August 31<sup>st</sup>. For practical reasons, the school budget should be prepared, finalised and adopted before submission to the Trustees by March 31<sup>st</sup> of the previous academic year.

- 15 (e) *“All payments shall be made by order of the board either electronically or by cheques drawn on the bank. All electronic transactions shall be independently authorized by the Principal and by one other person approved by the board. All cheques shall be signed by the Principal and by one other person approved by the board.”*

It is recommended that the number of Bank Accounts be kept to an absolute minimum. The guidelines apply to all school Bank Accounts where more than one is in use. In some schools, there is a practice of opening a separate bank account for the book grant, school tours, games and a variety of other purposes. It is recommended that all such accounts be closed and all income and expenditure passed through the one main school bank account. Where Trustees require an additional bank account for fund-raising / capital needs of the school, for example, there should be two signatories on such accounts, as applies to **all** school bank accounts, and regular reports given to the Board. Under no circumstances should a cheque be signed by any signatory in advance.

- 15 (f) *“Subject to the approval of the Trustees, the Board shall have power to sanction the use of the school premises outside school hours by outside bodies. The Board shall have discretion in determining such charges and conditions as it may consider appropriate for such use of the premises.”*

General guidelines for the use of school premises by outside bodies are a matter for the Trustees. In terms of financial guidelines, realistic charges should be set to recover from the users the costs of heating, lighting, cleaning, insurance, caretaking and so on. All money thus received should be recorded in the school accounts.

Article 15 (g) deals with school insurance.



- 27 (a) *“No extension, improvement or replacement of the School building shall be undertaken by the Board unless and until such have been approved in writing by the Trustees.”*

Capital expenditure is expenditure which is generally of a once off nature rather than recurring kind, the purpose of which is to acquire an asset or advantage of a lasting nature for the enduring benefit of the school. Normally, the expected life of the asset is greater than one year.

Prior written approval from the Trustees is required for all capital expenditure. How this is interpreted is a matter for the Trustees themselves. Trustees may set limits below which the Board may have tacit approval once the expenditure is included in the annual budget and can be met from normal school income.

- 27 (b) *“The Board shall not enter into any contracts by way of hire purchase or otherwise which could involve the Trustees in a total liability exceeding a sum to be determined annually by the Trustees, provided that this Article shall not apply to any contract which shall be approved in advance in writing by the Trustees, and excepting always contracts of employment of teaching and non-teaching staff as provided in Articles 23 and 26.”*

Once again, the Board is subject to guidelines issued from time to time by the Trustees. Hire purchase or lease agreements below a particular limit may have tacit approval from Trustees if the costs are included in the school budget and can be met from school income. Bank loans, overdrafts and other loans always require prior written approval of the Trustees.

- 28 *“The Trustees shall indemnify the Board and each member thereof against any claim for capital debts or expenditure properly incurred, and provided always Articles 15 (c) and 27 (a) of these Articles of Management have been complied with by the Board.”*

**N.B. All of the financial implications in the Articles of Management are included and developed in the guidelines which follow.**

## Appendix 2

### Sample Terms of Reference for the Board of Management Finance Sub-Committee

1. The Finance Sub-Committee monitors the financial affairs of the school and makes recommendations and reports to the Board of Management as appropriate.
  - The Sub-Committee ensures that there are adequate internal controls over all financial transactions conducted by the school and that these are reviewed regularly. In particular, the Sub-Committee will establish and keep under review school practices and procedures in the following areas:
    - **Payment procedures**
    - **Procedures for the receipt of money**
    - **Purchasing**
    - **Payment of wages**
    - **Control of stock and assets**
  - The Sub-Committee ensures that best practice obtains with regard to **cash transactions** and makes recommendations to the Board as necessary.
  - The Sub-Committee ensures that adequate **accounting records and registers** are maintained by the school. Recommendations for change or improvement may be made to the Board from time to time.
  - The Sub-Committee should review the **financial information systems** within the school to ensure that the Board has adequate information upon which to make decisions and to satisfy itself that the school finances are being managed in such a manner as to meet its obligations to the school community, the Trustees, the Department of Education and Science and other interested parties such as the Revenue Commissioners.
  - The Sub-Committee will have access to all **accounting records** held by the school such as original bank statements, correspondence, invoices, Asset Register, and wage records as it sees fit from time to time.
  - The Sub-Committee may request the Principal to provide a report on any aspect of school accounts at its discretion.

2. Early in the second school term, the Finance Sub-Committee meets to draw up the **school budget** for the following school year. A draft budget is presented to the full Board with ratification completed by April or May. In drawing up the budget, the following considerations should be kept in mind:
  - **Projected expenditure must not exceed projected income.** The Board of Management is not permitted to budget for a deficit without prior sanction from the Trustees.
  - Ideally, **expenditure budgets** should not exceed **expected income** from the Department of Education and Science.
  - It is advisable to maintain **income received** from other sources such as Parents' Councils and fund-raising for **developmental purposes**.
3. At each meeting of the Board the Finance Sub-Committee presents an up-to-date written **financial statement** showing **receipts and payments** summary, actual **income and expenditure** compared to **budget**, a **bank reconciliation statement** and a short progress report on the funding activities currently engaged in by the school (**See Appendix 5**). Following consideration, the financial report should be formally approved by the Board.
4. The Finance Sub-Committee ensures that all **accounts and documentation** are prepared for the Accountant at the end of the school year. On receipt, the annual school accounts are presented to the Board for formal ratification and copies sent to the Trustees and the JMB Financial Support Services Unit.
5. On an ongoing basis, the Finance Sub-Committee ensures the following:
  - That the Board does not enter into any financial commitment for which there is no provision.
  - That all PAYE / PRSI requirements are met.
  - That lease arrangements / loans which have been approved are examined and monitored.
  - That procedures are in place to monitor receipts, payments and the rate of hire of school property or equipment (such as sports hall and computer facilities).
  - That annual stock taking takes place.
  - That the school Asset Register is maintained and updated.
6. The Finance Sub-Committee meets on a regular basis as required by the Principal and the Board of Management to enable it to discharge its duties and to contribute to the good management of the school.

### Appendix 3 - Sample Assets Register

| Quantity | Item                  | Cost    | Date Purchased | School Dept. | Where Kept            | Identity No's. |
|----------|-----------------------|---------|----------------|--------------|-----------------------|----------------|
|          | <b>COMPUTERS</b>      |         |                |              |                       |                |
| 24       | HP 7500               | €28,500 | 25/08/04       | IT           | Computer Room         | C/CP/1-24      |
| 3        | HP 7300               | €3,120  | 25/11/03       | Science      | Science Labs          | S/CP/1-3       |
| 2        | HP 7500               | €2,375  | 25/08/04       | Careers      | Car. Room             | Ca/CP/1-2      |
| 2        | Dell 2100K            | €2,820  | 15/01/04       | Admin.       | Office                | Ad/L/1-2       |
|          | Etc.                  |         |                |              |                       |                |
|          |                       |         |                |              |                       |                |
|          | <b>TECHNOLOGY</b>     |         |                |              |                       |                |
| 16       | Band Saw              | €11,120 | 20/08/03       | Tech.        | Tech. Room            | T/BS/1-16      |
| 16       | C.R. Clark Vacuum     | €19,680 | 20/08/03       | Tech.        | Tech. Room            | T/CV/1-16      |
| 16       | Sanders               | €4,416  | 20/08/03       | Tech.        | Tech. Room            | T/Sa/1-16      |
|          | Etc.                  |         |                |              |                       |                |
|          |                       |         |                |              |                       |                |
|          | <b>ART</b>            |         |                |              |                       |                |
| 12       | RAC/51 Electric Kiln  | €22,188 | 08/06/99       | Art          | Art Room              | ART/K/1-12     |
| 12       | RAC/65 Printing Press | €16,632 | 08/06/99       | Art          | Art Room              | ---            |
|          | Etc.                  |         |                |              |                       |                |
|          |                       |         |                |              |                       |                |
|          | <b>AUDIO-VISUAL</b>   |         |                |              |                       |                |
| 5        | Sony 21" TV           | €2,250  | 10/01/01       | A/V          | Rooms 9,10,25,32,34   |                |
| 3        | Sony DVD Players      | €750    | 03/03/03       | A/V          | Rooms 9,25,32         |                |
| 2        | Sony Video Recorders  | €480    | 05/09/98       | A/V          | Rooms 10,34           |                |
| 12       | O/H Projectors        | €2,600  | 01/03/02       | Education    | Rooms 1,2,3,6,7,12... |                |
|          | Etc.                  |         |                |              |                       |                |

## Appendix 4

### School Books for Needy Students - A Sample Letter Template

Dear Parent / Guardian,

Each year the Department of Education and Science allocates a grant to this school to enable us to give assistance towards the purchase of school textbooks for students in need. The level of assistance available depends on the number of students eligible for support, the course being followed by the student and the level of the grant which the school receives.

The Department of Education and Science guidelines define a needy student as one from a family where there is

- Genuine hardship because of unemployment / short time working
- Prolonged illness of a parent
- Large family size with inadequate means
- Single parent families
- Other family circumstances indicating financial hardship

Indications of inadequate financial means include

- Families dependent on social welfare
- Families eligible for Family Income Supplement (FIS) or the Back to School Clothing and Footwear Scheme
- Families experiencing financial hardship because of particular circumstances

Entitlement to a medical card does not necessarily indicate eligibility.

In order to enable the school to allocate the Book Grant in the fairest way possible, we request parents / guardians who fulfil the criteria above to complete the enclosed Application Form and return it to ..... (school office?) on or before (date).

Given the sensitivity of this issue, we want to assure you that all applications will be treated with the utmost confidentiality.

Yours truly,

.....

Principal

## School Name and Address

### Book Grant Allocation for Needy Students 2005/2006

I / We wish to apply for a book grant towards the cost of textbooks for the school year 2005/2006.

Parents' / Guardians' Name(s) \_\_\_\_\_  
\_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Son's / Daughter's Name(s)

|       |             |
|-------|-------------|
| _____ | _____ Class |
| _____ | _____ Class |
| _____ | _____ Class |

Please tick ✓ the reason for application

Hardship due to unemployment ☐      Illness of parent / guardian ☐

Large family / Inadequate means ☐      Single parent family ☐

Other circumstances of hardship ☐

Signed \_\_\_\_\_

**Please return this form to the Principal by (date)**

## Appendix 5

### Monthly / Regular Financial Reports

A financial report should be prepared for each Board of Management meeting. The report should contain the following elements, each of which is outlined below:

- A summary statement of Receipts and Payments
- A Bank Reconciliation Statement for each bank account
- A summary Income and Expenditure Account showing Budget v Actual income and expenditure
- Capital Income and Expenditure Statement

The report should be considered in advance by the Finance Sub-Committee who will also have up-to-date bank statements available to them. Audit trails may also be required for particular items of income or expenditure.

#### A. Summary Statement of Receipts and Payments

1. Cash balance b/f from previous period
  2. Receipts
  3. Payments
  4. Net Expenditure (2 – 3)
  5. Cash balance c/f to following period (1 + 4)
- Cash balance c/f to following period  
**Plus** Receipts due but not to hand  
**Less** Payments due but not made  
Balance of Cash Assets against Cash

#### B. Bank Reconciliation Statement

Balance at end of period as per Bank Statement  
**Less** Cheques issued but not yet presented  
**Add** Receipts not lodged to bank account  
**Add** Balance of Petty Cash not spent

**TOTAL (= 5 above)**

### **C. Summary Income and Expenditure Account**

|  | <b>Actual to date</b> | <b>Budget to date</b> | <b>Variance</b> | <b>Budget</b>    |
|--|-----------------------|-----------------------|-----------------|------------------|
|  | <b>2004/2005</b>      | <b>2004/2005</b>      |                 | <b>2004/2005</b> |
| <b>INCOME</b>                          |                       |                       |                 |                  |
| Department of Education                |                       |                       |                 |                  |
| School Generated Income                |                       |                       |                 |                  |
| Other income                           |                       |                       |                 |                  |
| <b>TOTAL INCOME</b>                    |                       |                       |                 |                  |
| <b>EXPENDITURE</b>                     |                       |                       |                 |                  |
| Education – Wages and Salaries         |                       |                       |                 |                  |
| Education – Other Expenses             |                       |                       |                 |                  |
| Establishment, Repairs and Maintenance |                       |                       |                 |                  |
| Administration                         |                       |                       |                 |                  |
| Finance                                |                       |                       |                 |                  |
| <b>TOTAL EXPENDITURE</b>               |                       |                       |                 |                  |
| <b>SURPLUS / DEFICIT</b>               |                       |                       |                 |                  |

### **D. Capital Income and Expenditure Statement**

#### **CAPITAL INCOME**

Includes only income specified or allocated to CAPITAL spending e.g. Capital Grants; Fund-raising for Capital purposes; Funds from Parents' Association / Council; Donations. (Specify)

#### **CAPITAL EXPENDITURE**

Includes only spending of a **CAPITAL** nature e.g. new buildings / extension; computers; furniture and fittings, etc. (Specify)

#### **CAPITAL INCOME SURPLUS**



## **Appendix 6**

### **Format of Final Accounts for Voluntary Secondary Schools**

#### **EXAMPLE**

**St. Mary's College, Dublin**

**VOLUNTARY SECONDARY SCHOOL**

**BOARD OF MANAGEMENT REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD September 1, 200- TO AUGUST 31, 200-**

**CONTENTS**

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**BOARD OF MANAGEMENT REPORT  
FOR THE PERIOD ENDED AUGUST 31, 200-**

---

The board presents its report and financial statements for the period ended August 31, 200-.

**Principal Activity**

The principal activity of the school was to provide education in the context of the ethos of a Catholic Voluntary Secondary School in accordance with the founding intention, as articulated by the Trustees.

**Results**

The results for the period and the school's financial position at the end of the period are shown in the attached financial statements.

**Board of Management**

The board members and secretary who served the school during the period were as follows:

Chairperson:

Trustee Nominees:

Teacher Nominees:

Parent Nominees:

Secretary:

**Review of activities and future plans**

The level of activity for the period and the financial position were satisfactory. The Board expects that the level of activity will be sustained for the foreseeable future. In addition the financial position is expected to be satisfactory on an ongoing basis.

**Health and Safety of Students and Staff**

The school has adopted a safety statement in accordance with legislation.

### **Books of Account**

The measures taken by the Board to ensure compliance with the requirements of the Articles of Management and the Education Act, 1998, regarding proper books of account, are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise, and the provision of adequate resources to the financial function. The books of account of the school are maintained at the school premises.

### **Board of Management Responsibilities**

Section 18 of the Education Act requires the board to keep all proper and usual accounts and records of all monies received by it or expenditure incurred by it, and to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the school, and of the surplus or deficit of the school for that period. In preparing them the board are required to:

- Select suitable accounting policies and apply them consistently.
- Make adjustments and estimates that are reasonable and prudent.
- Prepare the financial statement on the “going concern basis” unless it is inappropriate to presume that the school will continue to operate.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the school and to enable them to ensure that the financial statements comply with the Education Act 1998. They are also responsible for safeguarding the assets of the school and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

T. J. Healy & Co were appointed as first auditors by the Board and they have expressed their willingness to continue in office in accordance with the requirement of the Board in pursuance of adherence to the Education Act 1998.

On behalf of the Board

Name ) Chairperson

Name ) Board Member

Approved by the Board on November 18, 20\_\_

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**  
**For the period ended August 31, 200-.**

---

We have audited the financial statements on pages 5 to 7 for the period ended August 31, 200-. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the school trustees, as a body, in accordance with Article 15 of the Articles of Management and Section 18 of the Education Act 1998. Our audit work has been conducted so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the school and the school trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of board of management and auditors**

The board of management is responsible for the preparation of the financial statements in accordance with applicable law and Irish Accounting Standards.

Our responsibility is to Audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards promulgated by the Auditing Practices board in Ireland and the United Kingdom. We have been appointed as Auditors under the requirements of the Education Act 1998 and report in accordance with the guidelines contained therein and in the Articles of Management for voluntary schools.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Articles of Management and the Education Act. We also report to you whether in our opinion:

- Proper books of account have been kept by the school;
- Whether the information given in the Board of Management's Report is consistent with the financial statements.

In addition we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the school balance sheet and its income and expenditure account are in agreement with the books of account.

We read the Board's report and considered the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence, relevant to the amounts and disclosures in the financial statements.

It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and whether the accounting policies are appropriate to the school's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In our opinion the financial statements give a true and fair view of the state of the school's affairs as at the 31st August 200- and of its surplus / deficit for the period then ended and have been properly prepared in accordance with the Education Act 1998.

We have obtained all the information and explanations we consider necessary for the purposes for our audit. In our opinion, the school has kept proper books of account. The financial statements are in agreement with the books of account.

In our opinion the Board of Management's Report is consistent with the financial statements.

---

**T. J. Healy & Co**

Chartered Certified Accountants and  
Registered Auditors

Address

November 18, 200-.

## **St. Mary's College, Dublin**

### **Income and Expenditure Account for the year ended August 31, 2005.**

|  | 2004/2005 | 2003/2004 |
|--|-----------|-----------|
| Total Income including School Generated Income |           |           |
| Total School Expenditure                       |           |           |
| Surplus / Deficit before other Income          |           |           |
| Other Income                                   |           |           |
| Surplus / Deficit                              |           |           |
| <b>Opening Balance</b>                         |           |           |
| <b>Closing Balance</b>                         |           |           |

## St. Mary's College, Dublin

### Balance Sheet as at August 31, 2005

| Actual<br>2004/2005 | Actual<br>2003/2004 |
|---------------------|---------------------|
|---------------------|---------------------|

#### 1. Fixed Assets

Note 1

Land and Buildings

Note 2

Furniture, Fittings and Equipment

Computer Equipment

#### 2. Current Assets

Debtors and prepaid expenses

Note 3

Cash at Bank and in hand

#### 3. Current Liabilities

Creditors and accrued expenses

Note 4

#### 4. Net Current Assets (2 - 3)

#### 5. Total Assets less Current Liabilities (1 + 4)

Financed by:

#### 6. Contribution towards the Cost of Fixed Assets

Note 5

#### 7. Surplus/Deficit on Income and Expenditure Account



### **Notes to Financial Statements**

1. Accounting Policies: Depreciation, Amortisation of State Grants, etc.
2. Fixed Assets: Cost, Additions, Depreciation, Net Book Value
3. Debtors and Prepaid Expenses
4. Creditors and Accrued Expenses
5. Contribution towards the cost of fixed assets: DES Capital Grants, Fund-raising, Donations, Trustee Contributions, etc.
6. Analysis of State Grants

### **Land and Buildings**

The land and buildings of a Voluntary Secondary School are the property of the Trustees. The Accounts Format above assumes that Land and Buildings are included in the school's Balance Sheet as a fixed asset which is still the case in a majority of schools.

However, some Trustees have already arranged to have Land and Buildings removed from the school accounts. This involves the creation of a Building Fund Account into which the original cost of the Land and Buildings is transferred together with contributions towards the cost of these Land and Buildings e.g State Grants, Fund Raising, Parents' Contributions, Donations, Trustee Contributions etc. A note is included in the school accounts to this effect. In other words, funds raised for expenditure on buildings are credited to the Building Fund and expenditure is charged when it is incurred.

A statement on the amortization of State Grants to Income and Expenditure should also be included. The issue of the transfer of school buildings and land from the school accounts is one for the Trustees and the new Trust Bodies.

# **St. Mary's College: Management Information – Board of Management Only**

**Sample Income and Expenditure Account for the year ended August 31, 2005.**

## **Income**

### **1. Department of Education and Science**

3010-100 Capitation  
3020-100 Enhanced Capitation (To schools designated disadvantaged only)  
3050-100 Support Services Grant (Including Equalisation Grants)  
3100-100 Secretarial Grant  
3130-100 Caretaker Grant  
3150-100 Book Grant  
3170-100 Special Subjects Grant  
3190-100 Home Economics Ingredients Grant  
3200-100 Transition Year Grant  
3210-100 Leaving Certificate Applied Grant  
3220-100 Grant for Traveller Students  
3230-100 Computer / IT Grant (Capital grants for Computer equipment is NOT included here)  
3240-100 Supervision / Substitution Grant (Balance of Supervision to pay external supervisors)  
3270-100 Home School Liaison Grant  
3290-100 Other DES Grants – Specify

### **2. School Generated Income**

3300-100 Fees (Fee-paying Schools)  
3310-100 Transition Year Students (Payments to school for all Transition Year activities)  
3330-100 Book Rental Receipts  
3350-100 Hall Rental  
3370-100 Locker Receipts  
3390-100 Photocopying Receipts  
3410-100 Adult Education Grant  
3420-100 School Canteen Income  
3430-100 School Tuck shop Income  
3440-100 Uniforms  
3450-100 Religion (Income for Retreats, etc.)  
3490-100 Study  
3500-100 Games  
3510-100 Bus Income  
3530-100 School Tours  
3550-100 Reimbursible Income – Net  
3570-100 Other School Generated Income – Specify

### 3. Other Income

- 3650-100 Voluntary Subscriptions / Registration fees from parents / students
- 3700-100 Income from Parents' Association / Council
- 3750-100 Fundraising
- 3770-100 Insurance Claim Receipts
- 3800-100 Bank Interest Received
- 3850-100 Other Special Income – Specify

## TOTAL INCOME

## Expenditure

### 1. Education – Teachers' / Supervisors Salaries

- 4130-100 Part time Teachers (Privately paid) - Salaries (Gross salaries plus Employer's PRSI)
- 4150-100 Supervisors – Salaries (Gross salaries to non-teacher supervisors plus Employer's PRSI)
- 4170-100 Adult Education (Salaries)
- 4190-100 Study (Gross payments to After School Study Supervisors)

### 2. Education – Other Expenses

- 4310-100 Teaching Aids (Maps, posters, tape recorders, disc players, chalk, markers etc. for teaching)
- 4330-100 Religion (Chaplaincy costs, retreats)
- 4350-100 Art
- 4370-100 Home Economics
- 4390-100 Science (Subjects requiring materials
- 4410-100 Computers / IT for everyday use involving
- 4450-100 Woodwork / Building Construction significant cost)
- 4450-100 Metalwork / Engineering
- 4470-100 Technology
- 4490-100 Other subjects – Specify
- 4550-100 Leaving Certificate Applied
- 4570-100 LCVP
- 4590-100 Transition Year
- 4610-100 Learning Support
- 4620-100 Teacher Inservice / Training
- 4630-100 Career Guidance
- 4640-100 Library (Purchase of books, magazines, etc. for library use; not textbooks; TV Licence)
- 4650-100 Physical Education
- 4670-100 Games (excl. travel)
- 4690-100 Bus Hire
- 4710-100 School Tours
- 4730-100 School Books (Textbooks purchased for resale or for Lending/Rental scheme)
- 4750-100 Examination Fees - Net (In-school Exams e.g. Leaving and Junior Certificate Mocks)
- 4770-100 Trophies and Prizes
- 4810-100 Home / School / Liaison
- 4850-100 Student Council
- 4910-100 Other Education Expenses – Specify

### **3. Repairs, Maintenance and Establishment (RME)**

- 5010-100 Caretaker(s): Wages (Gross wages plus Employer's PRSI)
- 5030-100 Caretaker Pension – School Contribution
- 5110-100 Cleaners' Wages (Gross Wages plus Employer's PRSI)
- 5150-100 Contract Cleaners
- 5170-100 Cleaning Materials
- 5310-100 Repairs to buildings and Grounds
- 5350-100 Repairs to Furniture, Fittings and Equipment
- 5400-100 Security
- 5450-100 Insurance
- 5510-100 Heating
- 5550-100 Light and Power
- 5610-100 Rent and Rates (Include all local charges such as water, waste and other service charges)
- 5700-100 Licence Fee to Trustees
- 5800-100 Other Repairs and Maintenance – Specify

### **4. Administration**

- 6010-100 Secretarial: Wages (Gross wages plus Employer's PRSI)
- 6050-100 Secretarial Pension – School Contribution
- 6100-100 Staff Recruitment
- 6150-100 Advertising / Public Relations
- 6210-100 Postage
- 6250-100 Telephone
- 6300-100 Printing, Stationery and Photocopying
- 6350-100 Office Equipment
- 6400-100 Accounting / Auditing Fees
- 6450-100 Other Professional Fees (e.g. Legal Fees, Health and Safety etc.)
- 6500-100 Travel and Subsistence
- 6600-100 Principal's Expenses
- 6650-100 Board of Management Expenses (e.g. Gifts, Mass Cards, Wreaths, Retirement and Marriage gifts)
- 6700-100 Annual Subscriptions
- 6750-100 Donations / Charity
- 6780-100 Staff Room Expenses
- 6800-100 Hospitality
- 6830-100 School Tuck-shop
- 6860-100 School Canteen
- 6900-100 Other Administration Expenses

## **5. Finance**

7300-100 Leasing  
7320-100 Loan Charges  
7350-100 Fundraising Expenses  
7400-100 Bank Charges  
7450-100 Bank Interest  
7800-100 Reimbursible Expenses – Net

## **6. Depreciation**

8000-100 Buildings – Annual Depreciation  
8020-100 Furniture and Fittings – Annual Depreciation  
8040-100 Motor Vehicles – Annual Depreciation  
8050-100 Computer Equipment – Annual Depreciation  
8080-100 Other – Annual Depreciation

## **TOTAL EXPENDITURE**

## **SURPLUS / DEFICIT**

**N.B. The code numbers used above correspond to the codes used in the Chart of Accounts designed for the TAS 2 package. All schools, including those using other Accounts Packages, are required to classify all items of income and expenditure in accordance with the layout shown above. Please note also that there is no heading for Miscellaneous Income or Expenditure.**

## Appendix 7

### Trustee / Patron Declaration

#### Annual Accounts for Voluntary Secondary Schools

**Trustee / Patron** \_\_\_\_\_

**School Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**School Year** \_\_\_\_\_

**In accordance with my / our supervisory role as Trustee / Patron of the above school, I / we wish to declare that I / we have received and examined the school's annual accounts for the last school year. I / We have approved the accounts and are satisfied that adequate financial controls are in place to ensure, as far as is possible, that the school's assets and finances are properly managed.**

**Signed on behalf of the Trustee / Patron**

\_\_\_\_\_

**Date** \_\_\_\_\_

## Appendix 8

### Preparing the Budget for the School Year 2006/2007

#### **1. Student Enrolment 2006/2007**

|  |       |
|--|-------|
| Total Projected Student Enrolment at September 1, 2006     | _____ |
| Projected Enrolment – Leaving Certificate Applied          | _____ |
| Projected Enrolment – Transition Year                      | _____ |
| Projected Enrolment – Junior Certificate Schools Programme | _____ |
| Special Needs Students                                     | _____ |
| Travellers   | _____ |
| Projected Enrolment – PLC Courses                          | _____ |

#### **2. Teacher Information 2006/2007**

|  |       |
|--|-------|
| Total number of Permanent Posts (PWT)            | _____ |
| Number of Teachers Job-Sharing                   | _____ |
| Number of Teachers on Career Break or Secondment | _____ |
| Number of RPT Teachers (in WTE's)                | _____ |
| Other DES paid part-time hours (in WTE's)        | _____ |
| Part-time hours paid by the School (in WTE's)    | _____ |

#### **3. Ancillary Staff 2006/2007**

|   |       |
|---|-------|
| Number of External Supervisors              | _____ |
| School Secretary paid by DES (1978 Scheme)  | _____ |
| School Secretary paid by School – Full-time | _____ |
| School Secretary paid by School – Part-time | _____ |
| School Caretaker – Full-time                | _____ |
| School Caretaker – Part-time                | _____ |
| Other Personnel paid by School – Specify    | _____ |

#### **4. Capital Programme 2006/2007**

##### **A. Proposed Capital Expenditure:**

- New buildings, extensions, major refurbishment (Specify)

---

---

**Estimated Cost** € \_\_\_\_\_

- Furniture, Fittings and Equipment (Specify)

---

---

**Estimated Cost** € \_\_\_\_\_

- Computer Equipment (Specify)

---

---

**Estimated Cost** € \_\_\_\_\_

**Total Capital Expenditure** € \_\_\_\_\_

##### **B. Funding to finance Capital Expenditure:**

Department of Education and Science Capital Grants € \_\_\_\_\_

Parents' Association / Council € \_\_\_\_\_

Parents' Contributions € \_\_\_\_\_

Fundraising € \_\_\_\_\_

Other € \_\_\_\_\_

**Total Capital Revenue** € \_\_\_\_\_



## Appendix 9

### Cheque Requisition Form

Date:     /     /

Payable to: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Cheque Amount:     € \_\_\_\_\_     Cheque No. \_\_\_\_\_

Details: \_\_\_\_\_

Department: \_\_\_\_\_

Cash collected against this cheque: € \_\_\_\_\_

Requisitioned by: \_\_\_\_\_

Authorised by: \_\_\_\_\_ (Principal)

## Appendix 10

### Bus Hire Form Template

**School Name**

Teacher's Name : \_\_\_\_\_ Date : \_\_\_\_\_

Bus Firm: \_\_\_\_\_

Class / School Group: \_\_\_\_\_

Destination: \_\_\_\_\_

Purpose of the Trip: \_\_\_\_\_

\_\_\_\_\_

**Quoted Cost:**

€

Amount to be paid:

By the School: € \_\_\_\_\_

By the Students: € \_\_\_\_\_

**N.B. It is the policy of this school to pay for all bus hire by cheque drawn on the school bank account. Payment will only be made on foot of a proper invoice which can be reconciled with this Bus Hire Form.**

Signed: \_\_\_\_\_  
(Teacher)

## **Appendix 11**

### **CONDITIONS SPECIFIED BY THE BOARD OF MANAGEMENT GOVERNING THE USE OF SCHOOL FACILITIES BY COMMUNITY ORGANISATIONS AND OTHER NON-SCHOOL BODIES OR AGENCIES**

1. No loss must accrue to the Board of Management and/or school Trustees from the organisation/body's use of school's facilities. Usage must not affect school work in any way.
2. A fee is payable for the use of school facilities to cover all costs associated with the activity. These charges are determined from time to time by the Board of Management.
3. Groups using the school facilities are required to abide by signs on display and to adhere to school rules regarding no smoking and other health and safety requirements.
4. Requests made by the Board / School representative on duty during meeting / activity times are to be complied with promptly and in full.
5. School property is to be vacated at the appointed times.
6. The Principal and the Board of Management will decide the limitation of numbers at any such meetings.
7. Notice of meeting / event will be given in writing at least one week in advance.
8. Meeting / activities can be held only at times sanctioned by the Principal.
9. Comprehensive insurance cover must be effected by the organisation and must indemnify the Board of Management, the Trustees and the Principal from any liability arising from the organisation / body's presence on school property.
10. As a condition of hire, the school is authorised to make any enquiries it deems necessary with the organisation / body's insurance company.
11. The Board must be satisfied that all Health and Safety guidelines are addressed and that Child Protection Guidelines are in place.
12. The organisation / body is responsible for ensuring that all members using school facilities are aware of these conditions.

**Approved by the school Board of Management** (Date) \_\_\_\_\_

**Signed on behalf of the Board** \_\_\_\_\_

## **School Name and Address**

### **APPLICATION FOR THE USE OF SCHOOL ROOM / FACILITIES.**

#### **1. ORGANISATION DETAILS**

Name of Association / Group: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Tel No: \_\_\_\_\_

Contact Name and Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tel. No: \_\_\_\_\_

#### **2. FACILITIES REQUIRED**

Facilities / room required: \_\_\_\_\_

Purpose: \_\_\_\_\_

Date/s required: \_\_\_\_\_ Time/s: \_\_\_\_\_

Name and address of person who will be in charge: \_\_\_\_\_

\_\_\_\_\_

#### **3. INSURANCE DETAILS**

Name and address of insurance company: \_\_\_\_\_

\_\_\_\_\_

Policy number: \_\_\_\_\_ Expiry date of policy: \_\_\_\_\_

#### **4. DECLARATION/AUTHORISATION TO BE SIGNED ON BEHALF OF ORGANISATION/BODY**

**I / We agree to the conditions governing the use of \_\_\_\_\_ School property as specified on the form attached. I / We authorise the School to make such enquires, as it deems necessary in connection with this application.**

**SIGNED:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

#### **5. APPROVAL OF APPLICATION**

**Use of school facilities sanctioned (dates and times):**

---

---

---

**The original insurance certificate has been inspected and a copy has been retained for School records.**

**A copy of the approved application has been given to the applicant together with a copy of the conditions approved by the Board of Management in relation to the use of School property by outside bodies.**

**SIGNED:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**PRINCIPAL / SECRETARY BOARD OF MANAGEMENT**

## Appendix 12

### Travel and Subsistence Expenses

The Board of Management of a Voluntary Secondary School may agree to pay travel and subsistence allowances to school personnel in accordance with recommended guidelines and within the regulations laid down by the Revenue Commissioners. Travel and subsistence allowances may be paid to **the Principal, Deputy Principal, Chairperson of the Board of Management, other Board members, teaching and nonteaching staff** for necessary travel required to carry out school business.

The recommended rates payable for travelling expenses are those set for the Civil Service and are available on [www.jmb.ie](http://www.jmb.ie)

Subsistence payments will only be made on the basis of vouched expenditure on meals and necessary accommodation on submission of receipts to the Principal or Chairperson of the board.

#### General Guidelines and Conditions

Payment of expenses for travel and subsistence should only be made in line with the following guidelines and conditions:

- o It is the duty of the Principal and Board of Management to ensure that only essential travel is undertaken thereby keeping such expenditure to a minimum
- o The Board of Management should determine the types and categories of school business for which expenses may be paid (**See page 58 for further information**)
- o The Civil Service travel rates are the maximum rates which may be paid without incurring a tax liability. The Board of Management is free to set travel rates at any rate equal to or below these levels.
- o Travel expenses cannot be paid in respect of any portion of a journey which covers all or part of a person's usual route between home and school.
- o The Principal, Chairperson of the board or any other board member may not be paid expenses for attendance at board meetings or any other meeting which takes place in the school. Any payment made in these circumstances is subject to tax.
- o In the case of a chairperson or other board member travelling a long distance to Board of Management meetings, the cost of such travel is a matter for the school patron/trustee and should not be a burden on the school.
- o Each claim for expenses should be verified by the Principal and by the Chairperson of the Board of Management where the Principal is the claimant.
- o The financial year for the purpose of calculating kilometric travel rates shall be the calendar year.
- o Travel and subsistence claims should be submitted as soon as possible and in any event within one month of the relevant journey. All claims should be submitted on a standard claim form on school headed paper.
- o All documentation in relation to travel and subsistence claims should be retained for a period of seven years (i.e. six years after the tax year to which the records refer).

## Appendix 13

### TRAVEL & SUBSISTENCE EXPENSES CLAIM FORMS FOR USE IN VOLUNTARY SECONDARY SCHOOLS

(1) NAME (BLOCK CAPITALS) \_\_\_\_\_

HOME ADDRESS \_\_\_\_\_

(2) DETAILS OF CAR (ENGINE C.C etc.) \_\_\_\_\_

(3) CLAIM PERIOD \_\_\_\_\_

TRAVEL € \_\_\_\_\_

SUBSISTENCE € \_\_\_\_\_

MISCELLANEOUS € \_\_\_\_\_

TOTAL CLAIM € \_\_\_\_\_

AMOUNT DUE € \_\_\_\_\_

#### (4) DECLARATION BY CLAIMANT

I declare that:

- (a) The subsistence and other allowances that I claim are correct and in accordance with regulations.
- (b) The expenses were actually and necessarily incurred by me in relation to school business.
- (c) I have not claimed, nor will I claim from any Government Department, nor from any other source, the expenses incurred above.
- (d) My cumulative mileage to date for which I have been paid travelling expenses (including travel claimed herein and from other public bodies) during the current travel year is \_\_\_\_\_.

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

#### (5) AUTHORISATION

Signed on behalf of the Board of Management \_\_\_\_\_  
(Principal / Chairperson)

## DETAILS OF CLAIM

| DATE | JOURNEY<br>FROM | JOURNEY<br>TO | PURPOSE OF<br>JOURNEY | MODE OF<br>CONVEYENCE | DISTANCE<br>(In miles) | TRAVEL<br>€ | SUBSISTENCE<br>€ | MISC.<br>AMOUNTS<br>€ |
|------|-----------------|---------------|-----------------------|-----------------------|------------------------|-------------|------------------|-----------------------|
|      |                 |               |                       |                       |                        |             |                  |                       |
|      |                 |               |                       |                       |                        |             |                  |                       |
|      |                 |               |                       |                       |                        |             |                  |                       |
|      |                 |               |                       |                       |                        |             |                  |                       |
|      |                 |               |                       |                       |                        |             |                  |                       |
|      |                 |               |                       |                       | <b>SUBTOTALS</b>       |             |                  |                       |
|      |                 |               |                       |                       | <b>TOTAL</b>           |             |                  |                       |



## Appendix 14

# PURCHASE ORDER

## School Name, Address And other Details

**To:**

**Order No.**

**Supplier's Name  
And Address**

Date: \_\_\_\_\_

Requisitioner: \_\_\_\_\_

**Subject/Dept:** \_\_\_\_\_

**Please Supply:**

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**Order No. shown above must appear on all Invoices and Advice Notes**

Principal's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Appendix 15

Brainse an Iarbhunoideachais  
An Roinn Oideachais agus Eolaíochta  
Bóthar Phort Laoise,  
An Tulach Mhór,  
Co. Uíbh Fhailí.



Post-Primary Administration  
Department of Education and Science,  
Portlaoise Road,  
Tullamore,  
Co. Offaly.

To Management Authorities of Voluntary

Secondary Schools

**M36/05**

### **Financial Support Services Unit**

**The attention of Management Authorities of Voluntary Secondary Schools is drawn to the provisions of Section 18 of the Education Act, 1998 and the responsibility placed on Boards of Management to put in place appropriate accounting and financial procedures in accordance with best practice.**

The Department and the Joint Managerial Body (JMB) have agreed to the establishment of a Financial Services Support Unit (FSSU) for the Voluntary Secondary School sector to assist school management in the putting in place of a framework that will ensure accountability and transparency of monies invested in schools. The unit will also address the interests and responsibilities of the Department, Trustees/Patrons, Boards of Management of schools, parents, principals, teachers and other partners in education in this important area. This agreement has a background in a shared concern by both the Department and the JMB about the need to establish a standardised financial control and reporting framework for the safeguarding and accountability of State and other funding supports for voluntary secondary schools.

Functions and Objectives of the FSSU

Based in the Secretariat, the FSSU for Voluntary Secondary Schools will operate under the aegis of the JMB. The main function of the FSSU is to provide a support mechanism for all voluntary secondary schools, including fee paying schools, to enable them to comply with the provisions of the Education Act 1998 in terms of accountability, transparency and financial responsibility for State funds.

To this end, the following objectives have been set for the unit:

- To link with all schools in the voluntary education sector through Trustees/Patrons, Boards of Management and Principals and develop a standardised comprehensive system of controls and reporting mechanisms.

- In-cooperation with Trustees/Patrons, Boards of Management and Principals, to develop standardised accounts formats and systems of budgeting and review.
- To collate and review Annual Financial Reports by schools and prepare an annual report for the Department of Education and Science and the JMB.
- To carry out such audits as may be required.
- To liaise with the relevant sections and officials in the Department of Education and Science in relation to all financial matters pertaining to voluntary secondary schools.
- To provide an advice and support service for voluntary secondary schools on all aspects of financial management and control.

### **Development of Guidelines**

To assist Trustees/Patrons, Boards of Management and Principals with the development of standardised accounting and financial management systems, the FSSU will develop Financial and Administrative Guidelines that will apply to all voluntary secondary schools. Such Guidelines will reflect the overall school financial control framework required.

The Department wishes that the development of the Guidelines be as participative as possible and appreciates the ongoing commitment and contribution from school management authorities in this regard.

### **Requirements on Schools**

To enable the FSSU to fulfil its function and achieve its objectives, each voluntary secondary school must prepare Annual Accounts in respect of each school financial year ending 31 August. The Annual Accounts must be formally approved by the Management Authorities of the schools and must be forwarded to the FSSU by 1 December following the end of the financial year. The completed Accounts must be accompanied by such other information as the FSSU may require from time to time. This process has already commenced in the current school year with the requirement to submit accounts for the 2003/2004 school year to the FSSU by 30<sup>th</sup> June 2005. This requirement applies to all voluntary secondary schools in the sector, including fee-paying schools, where teachers are paid from public funds.

All voluntary secondary schools who submit their annual accounts to the FSSU will be deemed to be complying with the requirements of Section 18 of the Education Act 1998.

All communications regarding the work of the FSSU should be addressed to the Director, Financial Support Services Unit, JMB, Emmet House, Milltown, Dublin 14.

**Matthew Ryan**  
**Principal Officer**  
**Post Primary Administration**

**June 2005**

## Acknowledgements

The Financial Support Services Unit wishes to acknowledge the help and support of all those who contributed in any way to the preparation of these guidelines especially:

- Paul Meany, President and the members of the JMB / AMCSS Council
- George O’Callaghan, former General Secretary of JMB / AMCSS
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- A representative group of Principals who gave feedback including Shay Bannon, Siobhan Corry, John O’Riordan, Clare Ryan and Joe Twomey
- Representatives of the new Trust Bodies for Catholic Voluntary Schools
  - Ferdia Kelly, Paul Scanlan and Brother Sean Brereton of ERST
  - Sr. Margaret Healy, Sr. Mary Tobin and Noel Keating of CEIST
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  - Garry Lyons and Diarmuid Ó Murchú, des Places Trust
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- Mr. David Wynne and Canon John McCullough of the Secondary Education Committee (SEC) for Protestant schools
- The Bursars of the ISA schools
- Mr. Ed. O’Donovan from the Leadership Development for Schools
- Accountants around the country dealing with school accounts especially Donal O’Brien of O’Brien Harnett, Kevin Drumgoole from Oliver Freeney & Co., Jim Hughes in Tullamore

A particular acknowledgement must go to the members of the Trustee Sub-Committee who met on a number of occasions during 2005 and whose advice and support was invaluable in the preparation of these guidelines:

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- In particular, Brother Sean Brereton was extraordinarily generous with his time and expertise in the preparation of the guidelines on school accounts. The FSSU wishes to acknowledge the work done in this area by the St. Helen’s Province of the Irish Christian Brothers over the past number of years and which has been adapted for use by other schools in the Voluntary sector



For further information contact:

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AMCSS  
SECRETARIAT**