

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.