



**FSSU**  
Financial Support  
Services Unit

# Financial Management in Voluntary Secondary Schools

## Training for New Principals

Financial Support Services Unit  
June 15<sup>th</sup> 2017

# Financial Management

Legal and Regulatory Framework and Financial Reporting

School Income and Expenditure

Day to day financial management

One to one training from FSSU Accountant

# Legal and Regulatory Framework

- Education Act 1998
- DES and Financial Support Services Unit
- Governance Document
- Trustees
- Insurance
- Board of Management
- Legal Requirements e.g. Revenue Compliance, Charities Regulator
- Financial Reports and Annual Accounts

# Education Act 1998

- Statutory basis for the education system
- Sets out the role and responsibility of Trustees/Patron and Board of Management
- Section 12: State funding of schools
- Section 14: Establishment of Boards of Management (BOM)
- Section 15: Relationship of Patron and BOM
- Section 18: Accountability

# Education Act 1998 – Section 18

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 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.”  
**(S. 18 Education Act 1998)**

# The Financial Support Services Unit

The FSSU was set up under DES Circular M36/05

The FSSU is primarily a support mechanism for voluntary and ACCS schools

- Louise McNamara, Director
- Kathleen Moloney & Anna Brennan, FSSU Accountants
- Breda Murphy, TAS coordinator and trainer
- Liz Lambert, Administrator



# Contact Details

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# Objectives of FSSU

Objectives set for the unit in DES Circular M36/05:

- A standardised system of controls and reporting
- Standardised formats for accounts, budgets, review
- Collate and review school accounts
- Liaise with DES officials in relation to financial issues
- Individual school audits and evaluations
- Advice and support for schools on all aspects of financial management and control

# The Role of the Board

**The Board is responsible for all business carried on in connection with or on behalf of the school.**

The Board is required to:

- Fulfil all legal requirements under Education Act 1998
- Requirements of Trustees/Patron are met
- Ensure expenditure does not exceed income
- Comply with requirements of DES and FSSU
- Set up Finance Sub-Committee
- Submit budget and accounts to Trustees

**The BOM is subject to the general supervision and control of the Trustees who are ultimately responsible for any debts incurred.**

- The BOM delegates the day to day management of the school to the Principal who has authority to act on its behalf.
- The Principal has all necessary powers to carry out his/her functions under the Act in accordance with BOM policies and requirements under the Act.
- All financial decisions must be authorised and ratified by the Principal.
- The Principal is obliged to keep the BOM fully informed on all aspects of school finances.
- The BOM must ensure that all necessary structures are in place to support the Principal in this role.

# Finance Sub-Committee

Principal and two Board members, Additional person(s)  
With expertise.

**Functions: The Finance Sub-Committee assists the Principal in the following areas:**

- Regular financial reports to the Board
- Annual budget
- Ensure finalising of school accounts
- School's asset register
- Internal controls
- Articles of Management
- Requirements of Trustees, FSSU, DES.

# Regular/Monthly Financial Reports

## **A financial report is presented to each BOM meeting**

### Structure of Report:

- Balances on ALL bank accounts
- Bank Reconciliation Statement for each bank account
- Summary Income and Expenditure Account (Actual and budget)
- Balance Sheet
- List of all creditors
- Capital Income and Expenditure Account (if applicable)

# School Income and Expenditure

## Income and Expenditure Account

Total School Income

Less: Total School Expenditure

Surplus / Deficit

**Schools cannot budget for a deficit. Where deficits occur, the trustees/patron should be informed immediately.**

# School Income

- DES Grants Payable to Non-Fee Paying Schools
- School Generated Income (e.g. TY money, lockers, buses, study .....)
- Other Income (Voluntary Subscriptions, fund-raising, donations)

# School Expenditure

- Education – Salaries
- Education – Other
- Repairs, Maintenance and Establishment
- Administration
- Finance
- Depreciation



# Capital Expenditure

- Once off expenditure to acquire an asset of lasting nature
- for the enduring benefit of the school
- Prior approval of Trustees is required
- BOM identifies necessary or desired expenditure
- BOM identifies capital revenue required
  - Reserves, Grants, Fund-Raising, Parents' Contributions, etc.
- Seek quotations following tender guidelines
- Once projects are approved by BOM, they must be
- submitted to Trustees before proceeding

# Payment Controls

Payment Methods: Cheque, electronic, cash  
Cheque signatories and authorised approvers  
Supporting Documentation  
Segregation of Duties  
Wages and Salaries  
Revenue Compliance  
Petty Cash

# Cheque Signatories

- Two cheque signatories – Principal and one other (More than one may be nominated)
- Never sign a blank cheque
- No post-dated cheques, unsigned cheques or partly completed cheques
- Always issue cheques to payee, never for cash
- Write cheques in numerical sequence
- Use Cheque Requisition Form where required
- Promptly dispatch signed cheques
- Store cheque books carefully

# Income Controls

- Bank Accounts
- Grant Receipts
- Segregation of Duties
- Recording of Receipts

# Revenue Compliance

- ❑ All payments made by the school must be Revenue Compliant.
- ❑ All school employees including part-time teachers, external supervisors and non-teaching staff are paid by cheque or electronically having deducted tax and employee PRSI due.
- ❑ Payments made to teachers and other personnel for services such as after school study are subject to tax and PRSI.
- Tax and PRSI are not deducted where payments are made for such services to a person or company registered as self-employed. In such cases a proper invoice showing name, address and tax details should be requested
- Independent insurance required by self-employed

# OLCS

**Board of Management** has a responsibility to ensure that at school level the integrity of the system is maintained at all times.

**Board of Management** is advised that **under no circumstances should the same person in a school undertake the role of Data Entry person and Data Approver.**

**Schools should ensure that documentation** in relation to the completion of OLCS details are retained securely e.g. medical certs., attendance at in-service/in career, parental leave and carer's leave.

**The Board of Management** should be made aware that a facility exists on OLCS to produce a report of all absences taken by teachers and SNAs in a defined period.

# OLCS – Circular 0024/2013

A short report should be read into the minutes of every Board of Management meeting listing the names of all substitutes and part-time teachers for whom claims have been made on the OLCS system since the last board meeting.

There is a facility on OLCS to print reports.

- ❁ If a staff member requires details of their absences the relevant report should be generated, printed and given to the staff member.
- ❁ A report on **all absences recorded on the OLCS should be supplied to each staff member at intervals recommended by the Board of Management of the school but at least one report should be produced in each school term. Each staff member should sign the absence report and a copy to be retained in the school.**

[www.jmb.ie](http://www.jmb.ie)

[www.fssu.ie](http://www.fssu.ie)





Annual Conference 2017 - Overview

### TRAINING & EVENTS

- Employment Law Day   
Presentations
- Principals & Deputy Principals Training - Phase 1  
14th - 16th June
- Annual Conference Overview  
Videos, Presentations & Photos
- Sage Training  
Various dates

### MEMBER SUPPORT SERVICES

CHILD PROTECTION AND VETTING	DATA PROTECTION	EDUCATION R & D	HEALTH AND SAFETY	HR / IR AND LEGAL SERVICES	SCHOOL BUILDING PROJECTS	SCHOOL FINANCE FSSU	SCHOOL MANAGEMENT	SCHOOL PROCUREMENT

### QUICK LINKS

- Advertising Jobs
- Bulletins
- Contracts

### CURRENT ISSUES

- Revised Travel Rates
- Latest Circulars
- Latest Procurement Newsletter

### EDUCATION NEWS

- 15 May 2017  
Pressure on ASTI to end action
- 12 May 2017  
Pay equality for teachers will have 'significant cost'



Annual Conference 2017 - Overview

- ABOUT THE FSSU
- ACCOUNTS
- BUDGET TEMPLATES
- CAPITAL PROJECTS
- FORMS
- GRANTS
- GUIDELINES**
- PAYROLL
- RCT & VAT
- REVENUE
- SAGE
- SCHOOL ACCOUNTANTS (EXTERNAL)
- SCHOOL ACCOUNTS PERSONNEL
- SCHOOL MANAGEMENT
- SCHOOL PRINCIPALS
- SEARCH A-Z
- TAS BOOKS

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Principals

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Overview  
 ns & Photos

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**MEMBER SUPPORT SERVICES**

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→ [Service Providers](#)

→ [Sage](#)

→ [TAS Books](#)

## Financial Guidelines Categorised

- [After School Study](#)
- [Banking](#)
- [Budget / Budgeting](#)
- [Building & Capital Projects](#)
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- [Charities Regulator](#)
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- [Fixed Asset Register](#)
- [Grants](#)
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