

## Financial Guideline 2017/2018 - 04

### School Charges, Voluntary Contributions and Fundraising

During the year a number of schools were contacted by the Department of Education and Skills to confirm that the school was compliant with circular 0065/2010 when collecting school charges and voluntary contributions. The Department of Education and Skills issued [Circular 0065/2010](#) to clarify that certain charges may be requested from pupils.

#### 1. School Charges

The following charges may be legitimately requested from pupils:

- Payment for school books or photocopied material provided by the school where the charge is reasonable and simply reflects the true costs concerned;
- Charges for meals and refreshments provided pupils are not forced to purchase same and can bring their own refreshments to school (e.g. lunchbox); or
- Services and activities provided by the school in excess of that included in the general school programme, provided the pupil can elect to avail of such services (e.g. supervised after-school study, school tours, or visits to theatres or sporting events).

While the above is not exhaustive, **the key requirement is that a school does not operate a charge, in whatever form, that is in effect a mandatory fee and contrary to the principle of not charging fees that distinguishes recognised schools in the Free Education Scheme from those recognised schools that have elected to charge fees.**

A school cannot request **mandatory** fees or payments from existing pupils or from those seeking admission to the school.

The **Minister for Education may withdraw** teaching resources and other funding where a school is found, in respect of one or more existing or prospective pupils, to be in breach of the requirements in relation to the non-charging of fees. [Circular 0065/2010](#)

#### 2. Voluntary Contributions

Voluntary contributions may be sought from parents, provided it is made clear to parents that there is no compulsion to pay and **that a child's place in the school or continued enrolment is not dependent on a willingness to make a contribution.**

### **3. Charities Regulatory Authorities Guidelines on Accounting for Funds**

Funds given to charities can include money but can also include property and assets of any sort.

The funds provided to charities will usually fall into one of the following two categories:

1. Restricted funds
2. Unrestricted funds

**The charity must adequately identify, distinguish and report upon unrestricted, restricted & designated income to enable adequate reporting upon both income and reserves. ('CRA Internal Financial Control Guidelines For Charities')**

#### **Restricted Funds**

Restricted income funds are funds which are often created by charities whereby the purposes are specified by that charity. The purpose will either be specified by the donor in a specific letter or the terms of a public appeal which may have been running at the time of the donation. Restricted income funds can only be used for the specific purposes for which they are given. If restricted income funds are used by a charity for any other purposes than those which were originally specified then this could amount to **fraud** or deception.

#### **Unrestricted Funds**

Unrestricted funds can be split into the two following categories:

##### **1. Non-designated or general funds**

These are funds which are available to an individual charity for the general purposes of that charity. These funds will be spent in whichever way that the Board of Management or the Management Company in charge of the charity sees fit in accordance with the stated objectives of the charity. These funds are not earmarked in any way or for any specific purpose meaning that the Board of Management or the Management Company can set the priorities for the funds and how and when they are spent. When a charity fundraising event occurs which does not have a specific purpose but simply to raise money for a certain charity all funds raised will be regarded as non-designated or general.

##### **2. Designated Funds**

Designated Funds are also funds which are available for the general purposes of the charity however, they have been chosen by the Board of Management or the Management Committee in charge of the charity to be used for a specific purpose. A decision to designate certain funds for a specific purpose will be made at meetings by the Board of Management or the Management Committee of the charity. The Board of Management or the Management Committee will have the power to change decisions regarding funds designated for specific purposes and designate them to other purposes or simply leave them as non-designated or general funds.

**The External School Accountant will categorise the above in the year end accounts.**

**The CRA has issued ‘ Internal Financial Control Guidelines For Charities’**

**Note: Its is now a requirement that all charities include their registered charity number on their headed paper.**

The Board should ensure that the school is fully compliant with the guidelines. The guidelines can be downloaded using this link. <http://bit.ly/CharRegFinGuidance>

**Louise McNamara**  
**Director, FSSU**  
September 2017