



FSSU
Financial Support
Services Unit

INTRODUCTION TO THE FINANCIAL SUPPORT SERVICES UNIT

13th February 2018

AGENDA

- INTRODUCTION TO THE FSSU
- PAYROLL
- RCT/VAT
- CASH CONTROLS
- WWW.FSSU.IE
- Q&A

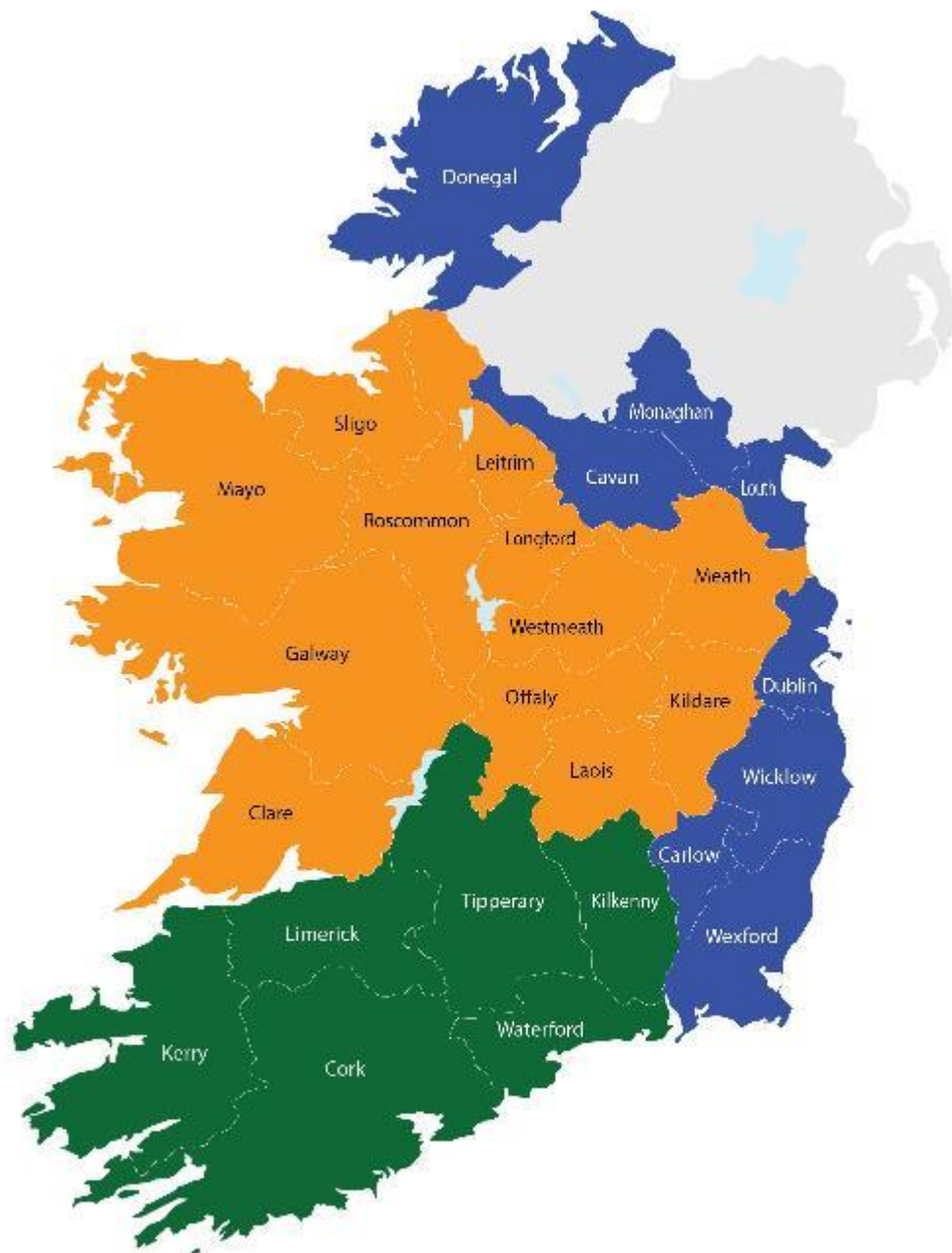
INTRODUCTION

- THE FSSU TEAM
- BACKGROUND
- OBJECTIVES

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Section 18 – Education Act 1998

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- (1) Except in the case of a school established or maintained by a vocational education committee, a 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 each year all such accounts are properly audited or certified in accordance with best accounting practice.*
- (2) 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.* .

Objectives of the FSSU for C&C Schools

- Department of Education and Skills Circular 02/2018
- Provision of advice and support to schools on financial governance matters
- Development of templates for use by schools in relation to financial matters including, in particular, a standardised national template for school accounts
- Acting as a central repository for receipt of school accounts
- Compliance function – DES, CRA and CSO
- To carry out audits as requested for the DES

FSSU Timeline for Section 18 Compliance

2018 & 2018/19 school year

FSSU will focus on provision of advice and support as part of preparations for the phased introduction of the standardised national template for annual school accounts

2019/20 school year

This will be the first year for annual school accounts to be prepared using the standardised national template. This will be the required format for schools to fulfil obligations under Section 18 of the Education Act, 1998.

End February 2021

This will be the latest date for annual school accounts for the 2019/20 school year to be submitted to the FSSU.

Annually thereafter

Annual School Accounts to be submitted to the FSSU in the prescribed format by the end of February (6 months after the end of the school year).

Revenue Compliance -Payroll

- 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, USC and employee PRSI due.
- Payments made to teachers and other personnel for services such as after school study are subject to tax, USC and PRSI.
- Tax, USC 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 consult the Revenue guidelines on employee/self employed

Revenue Compliance- Payroll

- Preparing for PAYE Modernisation-January 2019
- Retention of documentation
- Register of Employees- FSSU Financial Guideline 2013/2014-16
- Submission on time of Revenue reports & payments
- Travel & Subsistence

Small Benefit Exemption Scheme

In order to avail of the Revenue's Approved Small Benefit Exemption Scheme the school should ensure that the following rules are adhered to:

- The benefit or voucher cannot exceed €500.
- It cannot be exchanged in part or in full for cash. (cash payments are fully taxable)
- Only one benefit or voucher can be given to an **employee** in one tax year.
- Where a benefit exceeds the threshold the full value of the benefit is subject to PAYE, USC & PRSI.
- The benefit or voucher cannot be part of any 'salary sacrifice arrangement' between the employee and employer.

Payroll guidelines

- FSSU Financial Guideline 2017/2018-16
- Circular 0075/2017
- Adjustments of Pay Allocation

Relevant Contract TaX - RCT

A school board of management, in its capacity as a body established by statute and funded wholly or partly from funds provided by the Oireachtas, is designated as a “Principal Contractor”.

Relevant Contract Tax -RCT

A school as a “Principal Contractor” must :

1. Notify Revenue of all contracts online (**Contract Notification**)
2. Notify payments online (**Payment Notification**)- Penalties apply where prior notification to the Revenue is not obtained.
3. Provide a copy or details of the **Deduction Authorisation** to the Subcontractor
4. Review monthly/quarterly returns online (**Deduction Summary/Return**)
5. Make payments of RCT deducted on or before 23rd day after end of return period
6. Revenue Site Identifier Number (SIN)
7. Revised Revenue Guideline issued December 2016

Revenue Verification

- ▶ The school is obliged to provide Revenue with details of the subcontractor (name and tax reference number) and contract (location, start/end dates, estimated contract value, etc) through ROS.
- ▶ If a contract of employment was incorrectly classified as a relevant contract, the Principal will be liable to pay the PAYE, USC and PRSI that should have been deducted together with interest and penalties as appropriate.
- ▶ The nature of the contract may be examined by the Revenue Commissioners, the Department of Social and Family Affairs, the Department of Enterprise, Trade and Employment and the National Employment Rights Authority (NERA).

RCT - Penalties

Penalties will apply for making a payment to subcontractor without prior notification to Revenue

Subcontractor RCT deduction rate	Penalty applied to payment made to subcontractor
0%	3%
20%	10%
35%	20%
Subcontractor not known to Revenue	35%

Reverse VAT

- Where a Principal Contractor receives construction services other than haulage for hire, they must account for VAT under the VAT Reverse Charge.
- Where a sub-contractor provides both construction services and other services, as part of a contract, they should provide separate invoices.
 - The school should account for VAT on the construction services
 - The sub-contractor should account for the VAT on the other services
- Must file VAT 3 returns and Annual Return of Trading Details.

Maintenance Contracts

Repair and Maintenance contracts

If the contract provides for a single consideration for the repair and maintenance then reverse charge should apply to the full consideration.

If the contract provides that a separate charge should apply where repairs are necessary then only the consideration applicable to the repairs is subject to reverse charge.

Each case should be examined on its own merit.

VAT- Reverse Charge /RCT – Professional Fees

Reverse charge rules do not apply to payments to

- architects
- quantity surveyors
- engineers or
- design teams

It does not apply to Professionals within the construction industry

Exempt from VAT Reverse Charge

- Supply and installation of fittings are not services within the scope of the reverse charge legislation.
- A supplier should issue a separate VAT invoice charging VAT at 23% for the element of the contract which relates to supply and installation of fittings.

Exempt from VAT Reverse Charge

Examples of fittings include:

- Blinds (most types)
- Clocks including time clocks such as flexi-time equipment
- Cooker hoods
- Curtains
- Electric and gas fires
- Exhibition stands
- Fitted carpets and lino, other than floor covering stuck down over its entire surface
- Freestanding shop counters
- Kitchen cookers
- Lighting other than recessed lighting
- Mirrors
- Most shelving
- Refrigeration units, including deep freezers
- Safes (certain)
- Seating, including cinema and church seating whether or not secured to the floor
- Snooker tables and other games tables
- Washing machines and dishwashers, including plumbed-in machines.

Cash controls

Schools receive money from many different sources on daily basis such as locker income, book rental income, journal income, voluntary contributions and for various school activities.

An effective income collection system must be established to ensure that all income is identified, collected, receipted and banked properly.

Cash controls

Procedures in relation to school generated income

- There must be two people involved in the collection and accounting for cash income at all times.
- Pre-numbered receipt should be issued for any monies received in excess of €10
- Receipt should include the following;
 - date
 - amount received
 - purpose
- Receipt should be signed by both the person giving the money and the person collecting the money

Cash controls

Procedures in relation to income generated from various school activities

- The above applies to all school personnel including teachers collecting money for trips or other school activity
- The teacher should hand over the money collected on a daily basis to the accounts person
- The money should be counted by the teacher and accounts person together.
- A pre numbered receipt should be issued to the teacher
- If teacher doesn't have time to wait to count the cash. The cash should be placed in a locked box. Cash should be counted when two people are present

Cash controls

Recording & lodging cash

- Details should be entered in a cash receipt book as the money is received and reconciled to the actual daily cash
- All cash and cheques must be locked away in the school safe to safeguard them against loss or theft
- Lodgements should be completed promptly using a school bank lodgement book
- All money must be lodged intact
- Lodgement book should be used in sequence and the lodgement reference number entered on the cash book
- The cash details must be entered regularly on the computer accounting system
- Bank lodgements on the bank statements should be reconciled back to the cash book

Cash controls

Documentation & filing

- A record must be kept of who receives receipt books and the date it was issued
- All used receipt books must be kept as part of the school accounting records in a safe place
- Any unused receipt books must be kept in a locked drawer/cabinet
- The supporting documentation for all receipts must be filed in receipt number order on a lever arch file by school year

Cash controls

Canteen/Tuck Shops

- Cash register to record the cash accurately
- Cash must be counted at the end of each day and reconciled to the total from the cash register
- Canteen/tuck shop cashier should enter the total received in the canteen diary
- The canteen cash and the daily cash sheet must be brought to the office on a daily basis
- The office will check the cash and the daily cash sheet with the canteen person and issue a receipt to the canteen person
- All monies should be lodged intact

Cash controls

Other:

Raffle:

- Record of ticket seller & the serial number of the tickets given to each seller
- Returned books together with money should be tallied
- Unsold tickets must also be returned

School musicals/dance/social:

- Tickets should be issued in numeric sequence

Funding raising:

- Minimum of two people involved in the organising of any fundraising event

Donations & gifts:

- Issue a receipt and send it with a thank you letter

Rental income:

- Hire agreement should be reviewed and a note made of the agreed rent & method of payment
- Issue a receipt from the receipt book

Cash controls

School Safe

- School must have a locked safe
- Should be kept locked at all times
- Limit access to the safe
- A key/safe combination access record should be maintained

**For more information visit the
our new website**

www.fssu.ie

Welcome to the Financial Support Services Unit

The FSSU is a support mechanism for the school management in the Voluntary Secondary and Primary School sectors which assists them in complying with the provisions of the Education Act 1998 in terms of transparency, accountability and financial responsibility for State and other funding.

The FSSU addresses the financial interests and responsibilities of the Department of Education & Skills, Boards of Management, Principals and other partners as defined by the Education Act. The FSSU is fully funded by the Department of Education and Skills and is under the aegis of the Joint Managerial Body.






PRIMARY



POST-PRIMARY



Popular Topics

-  Sage 50
-  Grants
-  Payroll
-  Motor Rates
-  RCT & VAT

Current Issues

-  Budget Workshop Presentation Slides
-  New Circular: Grant Scheme for ICT Equipment 2017/2018
-  School Grants 2017/2018
-  Transfer of Pension Related Deductions (PRD) 2017
-  Guideline on Registering with the Charities Regulator

Remote Support



Search A-Z



Forms & Templates





Home

Topics

FSSU Guidelines

School Management

External Accountants / Auditors

Training

Accounting Procedures

After School Study

Banking

Budgeting

Charitable Donations

Charities Regulator

Fixed Asset Register

Grants

Interview and Selection Committees

Motor Rates

OLCS

Parents Association

Payroll

RCT and VAT

Revenue

Sage 50 Accounts

School Tours

Summer Works Scheme

Supervision & Substitution

Tendering

Remote Support



Search A-Z



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Guidelines by Category

- [After School Study](#)
- [Banking](#)
- [Budgeting](#)
- [Charitable Donations](#)
- [Charities Regulator](#)
- [External Accountants / Auditors](#)
- [Fixed Asset Register](#)
- [Grants](#)
- [Interview and Selection Committees](#)
- [Motor Rates / Travel & Subsistence](#)
- [OLCS](#)
- [Parents Association](#)
- [Payroll](#)
- [RCT & VAT](#)
- [Revenue](#)
- [Sage 50 Accounts](#)
- [School Tours](#)
- [Summer Works Scheme](#)
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[Charities Regulator](#)
[External Accountants / Auditors](#)
[Fixed Asset Register](#)
[Grants](#)
[Interview and Selection Committees](#)

Title	Number	
Revised salary rates applicable from 1st January 2018	13 - 2017/2018	
Government Budget Summary 2018	12 - 2017/2018	
Preparing for PAYE Modernisation 1st January 2019	11 - 2017/2018	
Supervision and Substitution Payments for 2017-2018	10 - 2017/2018	
Financial Reports for Board of Management Meetings	09 - 2017/2018	
Registration with the Charities Regulator and updating Board of Management Members details	08-2017/2018	
School Tours Guideline – Booking & Collection of Payments	07 - 2017/2018	
Tax Relief on Charitable Donations	06 - 2017/2018	
Guideline for External School Accountants 2017/2018	05 - 2017/2018	

Contact Us

- Support Line: 01 – 269 0677
- Website address: www.fssu.ie
- Email: info@fssu.ie



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Questions/Comments



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Thank you