



FSSU
Financial Support
Services Unit

Financial Management in Voluntary Secondary Schools

Training for New Principals

June 2018

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

Further Circulars 60/2017 & 02/2018 issued to include the primary and Community & Comprehensive sectors

The FSSU is primarily a support mechanism for C&C, primary and voluntary secondary schools

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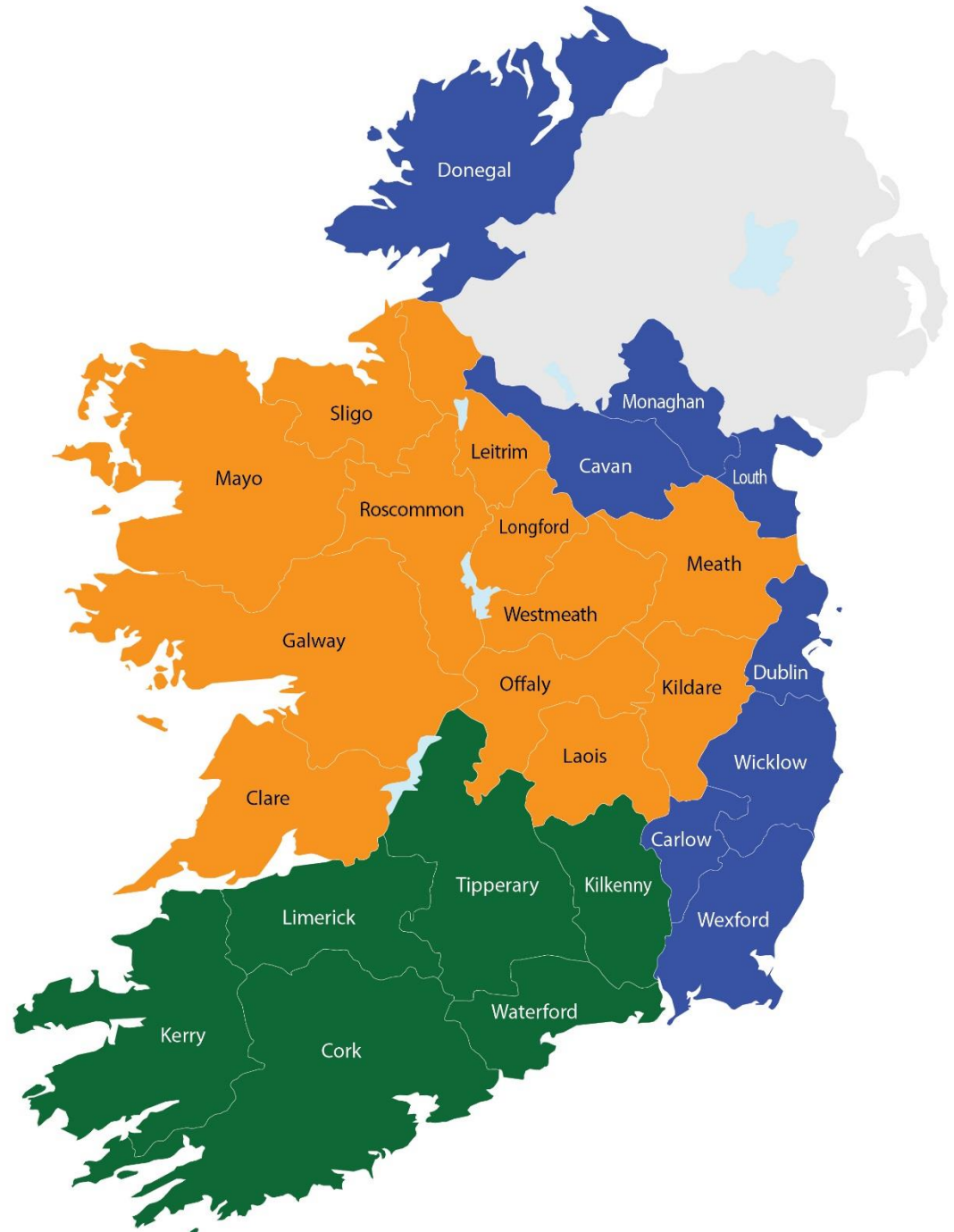
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Objectives of FSSU – Circular 002/2018

- Provision of advice and support to schools on financial governance matters including compliance with the requirements of this circular.
- Development of templates for use by schools in relation to financial matters including a standardised national template for annual school accounts.
- Acting as a central repository for receipt of annual school accounts prepared by an external accountant/auditor registered with a recognised accountancy body in the State.
- Carrying out such audits as may be required.
- Preparation of an annual report for the Department
- Liaison with the Department in relation to financial matters pertaining to schools.
- Submission of financial information to the Charities Regulatory Authority (CRA) which will also satisfy the financial reporting obligations placed on schools by the Charities Act 2009.
- Provision of statistical information to the Central Statistics Office (CSO) in relation to its requirements for financial information in respect of the school system.

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/Patron

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
- Governance document
- Requirements of Trustees/Patron, 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/Patron 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/Patron before proceeding

Payment Controls

- Payment Methods: Cheque, electronic, cash, credit cards
- 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.**

**For more information
visit our 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.

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Interview and Selection Committees

Title	Number	Sector
Selection Committee Payments-C&C Schools	22 - 2017/2018	C&C
State Examination Payments Guideline	21 - 2017/2018	C&C, Vol. Secondary
Revised rates of pay from April 2018 for privately paid Caretakers and Secretaries	20 - 2017/2018	Vol. Secondary
Use of School Buildings	19 - 2017/2018	C&C, Vol. Secondary
Selection Committee Payments 2017/2018	18 - 2017/2018	Vol. Secondary
IT Infrastructure Checklist	17 - 2017/2018	C&C, Vol. Secondary
Revised Salary Rates – C&C Schools	16 - 2017/2018	C&C
School Grants 2017/2018	15 - 2017/2018	Vol. Secondary
Transfer of Pension Related Deductions (PRD)	14 - 2017/2018	C&C, Vol. Secondary



**Thank You for
Attending**