



**FSSU**  
Financial Support  
Services Unit

# **Financial Governance Manual for the Board of Management and Finance Sub-Committee**

## **Community & Comprehensive Schools**

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# **Section A:**

## **Financial Governance for Boards of Management**

# The Board of Management and School Finance - Legal context

1. The Education Act 1998 sets out a statutory framework for Irish Education. The Act serves an important purpose in providing transparency and clarity regarding the rights and responsibilities of patrons / trustees, boards of management, Principals and other stakeholders in **facilitating best practice, quality outcomes and the effective and efficient deployment of resources.**
2. Section 14 of the Education Act 1998 provides for the establishment on an agreed basis of representative boards of management in recognised schools. Subject to the general supervision of the patron/trustees, the board of management, in accordance with the functions as set out in the Act, **is responsible for the governance and direction of the schools, the use of school resources and the management of its finances.** Section 15 states:
 

“It shall be a duty of a board to manage a school on behalf of a patron and for the benefit of students and their parents and to provide or cause to be provided an appropriate education for each student at the school for which the board has responsibility.”

“A board shall consult with and keep informed the patron of decisions and proposal of the board.”

“A board shall **have regard to the efficient use of resources (and in particular the efficient use of grants provided under Section 12) the public interest in the affairs of the school and accountability to students, their parents, the patron, staff and community served by the school.**”
3. Community and Comprehensive Schools Governance Manual (GM C & C) is intended to be read in conjunction with the First and Second Schedules to the Model Lease for Community Schools, instruments and articles of management for Comprehensive Schools or the lease actually executed in the case of the individual school as appropriate. **The manual is applicable to all areas of the school's operations including activities not funded by the Department or otherwise within the purview of the Department.**
4. **The board of management is responsible for the financial administration of the school.**
5. Section 18 of the Act 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.”**
6. The board of management is responsible for the governance and direction of the school, the use of school resources and the management of budgetary allocations made to the school by the Minister. To discharge its duty in this regard, the board should ensure that there is an adequate system of control, delegation and accountability in place to ensure the smooth and efficient operation of school services and school administration. While the board may delegate many of its responsibilities to the Principal and in some circumstances to sub committees of the board, it must remain aware of its responsibilities and of its accountability to the Minister. (S 2.1 GM C & C)

## Section A: Financial Governance for Boards of Management

7. It is the duty of the board to manage the school on behalf of the patrons. In carrying out this duty the board is obliged to consult with and keep the patrons informed of decisions and proposals of the board. (S 2.12 GM C & C)
8. The board is accountable for all activities carried on under its auspices including those activities not financed or controlled by the Department. (S11.1 GM C & C)
  - a. It is the responsibility of the board to establish its own system of monitoring to ensure that proper budgetary control mechanisms and procedures are in place to ensure that expenditure is planned, monitored and controlled so as to ensure that the approved financial allocation is not exceeded (S 8.3 Gm C & C)
  - b. The board must keep such books and accounts as are necessary to ensure good management, comply with any requirements set down by the Minister from time to time and satisfy any legal requirements of the board. (S 11.2 GM C & C)
  - c. These books must be kept on the school premises and be available for inspection by Department officials and officials from the FSSU. (S 11.2 GM C & C)
  - d. External school accountants/auditors are requested to prepare the annual school accounts to the 31st August. The annual school accounts should be formally adopted by the board of management before submission to the FSSU by the 28th February following the year end.
  - e. The board must submit the annual school budget to the Department of Education for the following financial year by the 30th June each year.
  - f. The board should ensure that there are adequate controls over bank accounts (S 20.6 GM C & C)
  - g. There should be two signatories for all school cheques drawn from a panel approved by the board for the purpose, one of whom should be the Principal (18.1 GM C & C)
  - h. All financial decisions in relation to the school must be authorised and ratified by the Principal.
9. Boards should set-up and operate a finance sub-committee of the board of management to monitor school systems and school finances more closely. (S 12.3 GM C & C)
10. It is the duty of Principals and boards of management to ensure that expenditure on travel and subsistence is strictly appraised and monitored and only essential travel is undertaken and that every effort is made to keep expenditure to a minimum (S23.2 GM C & C)
11. The general indemnity (State Indemnity) to community and comprehensive schools is set out in the Second Schedule to the Deed of Trust. (S25.2 GM C & C)
12. The boards of management of schools with sports complexes must satisfy themselves that there are adequate controls in place over the operation of these complexes. (S26.1 GM C & C). Audited accounts should be presented to the board for approval and submitted to the Department annually not later than six months after the year end. (S26.4 GM C & C).
13. The board is responsible and accountable for all fund raising carried out under its auspices and appropriate control arrangements should therefore be put in place. (S29.2 GM C & C)
14. The board must ensure that the school is in compliance with taxation laws, all required returns are made to Revenue and ensure that all tax liabilities are paid on or before the relevant date due (S 2.23 GM C & C)

15. Under the Charities Act 2009 there is a requirement for each board to have its school registered with the Charities Regulatory Authority (Charities Regulator), to update board members details in line with changes and to verify the annual report details as supplied to the FSSU through the annual accounts submission. (S 4 GM C & C)
16. Schools mainly financed by the state are required to submit annually to the Central Statistics Office (CSO) financial data on all assets and liabilities as well as gross income and expenditures. This requirement is fulfilled through the annual submission to the FSSU and the FSSU supplies the data to the CSO on the schools behalf. Schools are required to complete other surveys the CSO may issue from time to time.
17. All proposals for lease, rental of equipment and rental/lease of additional facilities or accommodation must be submitted to the Department for advance approval. (S21.6 GM C & C)
18. Third party use of the school facilities should be formally approved by the board of management. The board is obliged to ensure premises are safe for use, appropriate controls are in place and third party public liability insurance is in place. (S 24.1 GM C & C)

While the board may delegate many of its responsibilities to the Principal and in some circumstances to sub-committees of the board, it must remain aware of its responsibilities and of its accountability to the Minister.

## The Board of Management, the School Principal and Finance

The financial administration of the school is under the control of the board of management subject to the general supervision and control of the patron.

**The board of management** is responsible for all business carried on in connection with or on behalf of the school. It is responsible for day to day running expenses and must ensure that expenditure does not exceed income. To fulfil this responsibility it is required to:

- Ensure that all legal requirements under the Education Act 1998 are fulfilled
- Comply with the requirements of the patron/trustee
- Comply with requirements of the Department of Education and of the Financial Support Services Unit
- Set up a finance sub-committee which includes the Principal
- Submit a forward budget to the patron/trustee
- Ensure that the annual school accounts are prepared, approved and submitted by February 28th following the end of the school year.
- See that the school is adequately insured
- Obtain advance written approval from the patron/trustee for any hire purchase, overdraft or loan agreement and for any proposed capital expenditure

The board delegates the day to day management of the school to the Principal and he/she is given authority to act on behalf of the board. Section 23 states that “a Principal shall have all such powers as are necessary or expedient to carry out his/her functions under the Act, and shall carry out his/her functions in accordance with such policies as may be determined from time to time by the board and regulations made under the Act.” The Principal is “entitled to be a member of any and every committee appointed by a board.”

All financial decisions in relation to the school must be authorised and ratified by the Principal. In any event, no member of the board of management in his/her individual capacity or any other school employee may in any way interfere with the financial administration of the school by the Principal.

The day to day financial responsibilities which have to be fulfilled in a school include the following:

- Managing all bank accounts opened in the name of the board
- Managing day to day running expenses
- Ensuring that proper books of account are kept in line with best practice guidelines
- Making sure expenditure does not exceed income
- Preparing the annual budget
- Ensuring that school income and expenditure is monitored on a regular basis and in particular comparing actual income and expenditure to budget
- Submitting financial reports at each board of management meeting
- Making sure a bank reconciliation statement for each school account is prepared once a month
- Ensuring the segregation of duties as far as possible in all financial matters
- Two cheque/electronic signatories on all school accounts one of whom is the Principal

- All documentation relating to financial transactions and purchasing is signed by the Principal
- Subject to patron approval, the Principal discharges the wishes of the board of management regarding the use of school premises by outside bodies, school insurance and the maintenance and upkeep of the buildings
- Ensuring that no bank overdrafts, loans, lease or hire purchase agreements are entered into without prior patron approval
- Monitoring all grants from the Department of Education
- Ensuring that all income received by the school is properly receipted and recorded
- Having clear guidelines in place on fund-raising in the school's name
- Ensuring that proper financial controls are in place for Parents' Associations / Councils, Past Pupils' Unions and other organisations operating in the name of the school
- The Principal approves all wages and salaries paid to school employees and ensures that proper records are maintained
- Ensuring that all remuneration payments made by the school are Revenue compliant
- Returning all relevant documentation and payments to the Revenue Commissioners
- Ensuring the proper disbursement of book grants for needy students
- Ensuring that proper purchasing guidelines are in place e.g. checking of order books, delivery notes and invoices
- Ensuring a proper system of stock control is in place where necessary
- Ensuring a proper assets register is maintained

This list is not exhaustive. However, there is no implication that the Principal has to physically carry out all of the tasks outlined above. Many of these tasks can be delegated but only under the guidance of the Principal. It is the responsibility of the school board of management to ensure that the necessary structures are in place as the board is responsible for all business carried on in connection with or on account of the school.



# The Board of Management Finance Sub-Committee

## 1. The Finance Sub-Committee

**The finance committee is a sub-committee of the board of management established to carry out the duties assigned to it by the board.**

In establishing a finance committee, the board needs to formally agree:

- a) Terms of reference and functions to be performed by the committee. (Sample terms of reference are listed below.)
- b) Membership of the committee - this should comprise the Principal and two nominees of the board. On occasions, the board may also wish to invite a non-board member to sit on such a committee.
- c) Tenure of office – normally coinciding with the three/four year term of the board
- d) Reporting arrangement between the board and patron.

## 2. Functions of the Finance Sub-Committee

**The finance sub-committee monitors the financial affairs of the school and makes recommendations to the board as appropriate. This includes the following:**

- a) Drawing up the annual budget of the school for presentation to and adoption by the board of management
- b) Preparing and presenting regular financial reports for the board
- c) Organising the preparation of school accounts for the external school accountant/auditor
- d) Overseeing the school's asset register
- e) Ensuring that recommended school internal controls are put in place and followed
- f) Complying with financial requirements of patron/trustee, Financial Support Services Unit and the Department of Education.

## 3. Sample Terms of Reference Finance Sub-Committee

### A. The School Budget

Early in the second school term, the finance sub-committee meets to begin the process of drawing up the **school budget** for the following school year. A draft budget is presented to the full board with ratification completed by April or May. In drawing up the budget, the following considerations should be kept in mind:

- **Projected expenditure must not exceed projected income.** The board of management is not permitted to budget for a deficit without prior sanction from the Department of Education.

### B. Financial Reports to the Board

At each meeting of the board, the Principal presents an up-to-date **financial statement** showing receipts and payments summary, actual income and expenditure compared to budget, a bank reconciliation statement for all bank accounts and a short progress report on the funding activities

currently engaged in by the school. Following consideration, the financial report should be formally approved by the board.

### C. Accounts and Documentation

The finance sub-committee ensures that all accounts and documentation are prepared for the external school accountant/auditor at the end of the school year. The annual school accounts are presented to the board for formal ratification and a copy sent to the patron. Year end accounts may also be requested by trustees.

### D. Internal Controls

1. The sub-committee ensures that there are adequate **internal controls** over all financial transactions conducted by the school and that these are reviewed regularly. In particular, the sub-committee will establish and keep under review school practices and procedures in the following transaction streams and activities:
  - **Payment procedures**
  - **Procedures for the receipt of money**
  - **Purchasing procedures**
  - **Payment of wages**
  - **Control of stock and assets**
  - **Cash handling procedures**
2. The sub-committee monitors the operation of all cash undertakings which may be authorised by the board to ensure that best practice pertains and makes recommendations to the board as necessary.
3. The sub-committee ensures that adequate **accounting records and registers** are maintained by the school. Recommendations for change or improvement may be made to the board for consideration and action as appropriate.
4. The sub-committee reviews the **financial information systems** within the school to ensure that the board has adequate information upon which to make decisions and satisfies itself that the school finances are being managed in such a manner as to meet its obligations to the school community, the Department of Education and other interested parties such as the Revenue Commissioners.
5. The sub-committee has access to all **accounting records** held by the school such as original bank statements, correspondence, invoices, asset register, and wage records as it sees fit from time to time.
6. The sub-committee may request the Principal to provide a **report** on any aspect of school accounts at its discretion.

### E. The Finance Sub-Committee ensures

- That the board does not enter into any financial commitment for which there is no provision
- That all Revenue Commissioners requirements are met
- That all lease arrangements/loans are approved and monitored
- That all payments and procedures for the hire of school property or equipment are monitored e.g. sports hall, computer facilities
- That stock taking occurs on an annual basis
- That the school's asset register is maintained

### F. Meetings

The finance sub-committee should meet prior to all board meetings to discuss the financial reports from the Surf system in detail, to enable it to discharge its duties and to contribute to the good management of the school. A report should be read to the main board meeting. A formal record of meetings should be retained.

# Recommended Financial Reports for Board of Management Meetings

## A. Introduction:

This guideline sets out the required financial reports to be reviewed by:

1. the Principal and accounts personnel
2. the board of management

The reports should be reviewed on a monthly basis.

## B. Recommended Financial Reports:

The Principal and the board should ensure that the following steps are followed:

**STEP 1:** The accounts information should be processed in a Surf accounts package throughout the month. It is important that the board is satisfied that there is a suitably trained person carrying out this function. Training and support for accounts personnel is available from the FSSU.

**STEP 2:** A draft set of financial reports should be reviewed for accuracy and completeness within ten days of the month end. This review should be undertaken by the Principal with the person processing the financial information. Any issues or adjustments arising from this initial review should be addressed.

**STEP 3:** A full set of financial reports can be generated at least 3 days before the scheduled board meeting. The reports may be emailed to finance sub-committee members. The email must be password protected. Members of the finance sub-committee must be mindful of confidentiality of these reports. Any queries should be addressed at the finance sub-committee meeting. The finance sub-committee should review the financial reports in detail at their meeting and present a report to the full board meeting. The reports to be reviewed by the finance sub-committee can be found in Section B.

**STEP 4:** All board members should be given a copy of the financial reports at the main board meeting. It is not envisaged that the financial reports are reviewed in detail at the main board meeting by the full board; detailed analysis of the reports is the function of the finance sub-committee.

The financial reports to be presented to the board are:

1. **List of balances on all school bank and cash accounts**
2. **A bank reconciliation statement for each bank account**
3. **Income and Expenditure Account Report showing actual versus budgeted figures**
4. **Balance Sheet Report**
5. **List of all creditors/accruals**
6. **Summary of income/grants received in advance for the next school year and prepayments**
7. **Capital Income and Expenditure Account Report**

## **C. Other information**

- As the financial reports contain confidential information, it is recommended that they are collected at the end of the meeting. One copy of all the financial reports shall be filed with the board records and all other copies of the financial reports shredded.

## 1. Balances on all Bank Accounts

Simple Trial Balance Report  
Sample C & C School

**Date Range:** 1st Sep 20XX To 31st Oct 20XX

Code	Description	Debit	Credit
1800	Current Account	76,489.00	-
1810	Deposit Account	47,948.00	-
1900	Petty Cash A/c	114.00	-
Totals:		€124,551.00	-

2. Bank Reconciliation Statement for each Bank Account

<b>Bank Reconciliation Report</b>	
<b>Sample C &amp; C School</b>	
1800 Current Account	<b>31-Oct-20XX</b>
Balance as per Surfaccounts	<b>76,489.00</b>
Balance per Bank Statement	<b>76,489.00</b>
<b>Less</b> un-presented Payments	<b>-0.00</b>
<b>Plus</b> un-presented Lodgment	<b>0.00</b>
Reconciled Balance	<b>76,489.00</b>

### 3. Income and Expenditure Account showing Current and Budget figures

I&E Report					
Sample C & C School		Date Range: 1st Sep 20XX To 31st Aug 20XX			
20XX					
Code	Description	Current Period	Budget	Variance	Comp. Period
		€	€	€	€
Income and Expenditure Account					
Income					
Income Department Grants					
3010	Non Pay Budget	71,361.00	349,700.00	-278,339.00	380,177.00
3020	DEIS Grant	-	26,500.00	-26,500.00	25,718.00
3030	Non Teachers Pay Budget	44,465.00	222,250.00	-177,785.00	236,887.60
3050	Support Services Grant	9,000.00	156,000.00	-147,000.00	47,948.00
3150	Book Grant	39,000.00	50,700.00	-11,700.00	43,549.00
3190	JCSP Grant	-	-	-	21,101.00
3200	Transition Year Grant	-	14,250.00	-14,250.00	15,183.00
3230	Computer / IT Grant	18,000.00	-	18,000.00	19,457.00
3240	Supervision/Substitution	10,250.00	44,225.00	-33,975.00	32,545.22
3255	SEC Exam Income	-	8,600.00	-8,600.00	9,163.00
3275	Minor Works Grant- Non Capital	-	17,800.00	-17,800.00	-
3290	Other Department Grants - Specify	1,500.00	9,000.00	-7,500.00	8,656.00
		€193,576.00	€899,025.00	€705,449.00	€840,384.82
Income School Generated					
3310	Transition Year Students	16,500.00	12,500.00	4,000.00	13,319.00
3330	Book Rental Receipts	27,500.00	29,000.00	-1,500.00	30,305.00
3350	Hire of Facilities Rental Income	2,060.00	10,000.00	-7,940.00	8,780.00
3390	School Administration Charges	21,950.00	30,000.00	-8,050.00	29,235.00
3410	Adult Education Income	-	-	-	5,227.55
3420	Canteen Income	16,039.00	130,000.00	-113,961.00	136,716.00
3495	Mock Exam Income	-	15,000.00	-15,000.00	-
		€84,049.00	€226,500.00	€142,451.00	€223,582.55
	TOTAL Income	€277,625.00	€1,125,525.00	€847,900.00	€1,063,967.37
Expenditure					
Expenditure Education Salary					
4110	Substitute Teachers	4,332.00	34,000.00	-29,668.00	36,930.00
4150	Supervisors Salaries	2,455.00	44,250.00	-41,795.00	17,823.00
4155	State Exam Aides -Salaries	-	8,600.00	-8,600.00	-
4170	Adult Education Salaries	1,561.00	5,000.00	-3,439.00	4,819.00
		€8,348.00	€91,850.00	€83,502.00	€59,572.00
Expenditure Education Other					
4310	Teaching Aids	4,220.00	5,000.00	-780.00	5,350.00
4350	Art	12,300.00	16,000.00	-3,700.00	17,564.00
4370	Home Economics	2,569.00	6,000.00	-3,431.00	6,209.00
4390	Science	12,840.00	14,000.00	-1,160.00	15,789.00
4410	Computers / IT	2,560.00	18,000.00	-15,440.00	5,085.00



## Section A: Financial Governance for Boards of Management

Code	Description	20XX			
		Current Period	Budget	Variance	Comp. Period
		€	€	€	€
4430	Woodwork / Building Construction	4,653.00	11,000.00	-6,347.00	12,395.00
4450	Metalwork / Engineering	3,180.00	6,000.00	-2,820.00	6,786.00
4490	Other Subjects - Specify	5,097.00	24,000.00	-18,903.00	26,403.00
4550	Leaving Cert Applied	190.00	1,000.00	-810.00	1,253.00
4570	LCVP	256.00	1,500.00	-1,244.00	1,428.00
4590	Transition Year	18,420.00	26,000.00	-7,580.00	31,347.00
4620	Teacher In-service and Training	850.00	5,000.00	-4,150.00	-
4630	Career Guidance	400.00	2,600.00	-2,200.00	277.00
4650	Physical Education	360.00	2,500.00	-2,140.00	228.00
4690	Bus Hire	2,500.00	20,000.00	-17,500.00	-
4730	School Books	31,506.00	40,000.00	-8,494.00	35,009.00
4750	Mock Examination Fees	-	20,000.00	-20,000.00	21,523.00
4760	School Journal	9,735.00	10,000.00	-265.00	-
4770	Trophies and Prizes	-	1,000.00	-1,000.00	-
4810	Home / School / Liaison	512.00	1,500.00	-988.00	758.00
		<b>€112,148.00</b>	<b>€231,100.00</b>	<b>€118,952.00</b>	<b>€187,404.00</b>
Expenditure Repairs, Maintenance and Establishment					
5010	Caretaker(s): Wages	16,492.00	108,000.00	-91,508.00	210,872.00
5020	Caretaker Sports Complex	-	90,000.00	-90,000.00	-
5110	Cleaners' Wages	-	10,000.00	-10,000.00	-
5150	Contract Cleaners	3,636.00	32,000.00	-28,364.00	34,875.00
5170	Cleaning Materials	3,473.00	22,000.00	-18,527.00	23,731.00
5310	Repairs-Buildings/Grounds	3,654.00	60,000.00	-56,346.00	36,706.00
5350	Repairs-Furniture, Fittings, Equipment	2,160.00	15,000.00	-12,840.00	4,958.00
5400	Security	1,250.00	13,000.00	-11,750.00	14,378.00
5510	Heating	9,127.00	42,000.00	-32,873.00	87,532.00
5520	Refuse/Recycling	1,064.00	10,000.00	-8,936.00	11,343.00
5550	Light and Power	-	40,000.00	-40,000.00	-
5610	Rent and Rates	1,360.00	5,500.00	-4,140.00	5,797.00
		<b>€42,216.00</b>	<b>€447,500.00</b>	<b>€405,284.00</b>	<b>€430,192.00</b>
Expenditure Administration					
6010	Secretarial: Wages	9,898.00	130,000.00	-120,102.00	125,289.00
6100	Staff Recruitment	1,300.00	3,000.00	-1,700.00	14,459.00
6150	Advertising / Public Relations	150.00	1,500.00	-1,350.00	524.00
6210	Postage	700.00	5,000.00	-4,300.00	5,280.00
6250	Telephone	1,332.00	14,000.00	-12,668.00	15,752.00
6300	Printing and Stationery	395.00	3,000.00	-2,605.00	3,365.00
6305	Photocopying Expenses	2,589.00	20,000.00	-17,411.00	22,067.00
6400	Accounting / Auditing Fee	-	3,000.00	-3,000.00	-
6500	Travel and Subsistence	228.00	2,000.00	-1,772.00	2,078.00
6600	Principal's Expenses	-	2,000.00	-2,000.00	-

Code	Description	20XX			
		Current Period	Budget	Variance	Comp. Period
		€	€	€	€
6650	Board of Management Expenses	-	1,000.00	-1,000.00	-
6700	Annual Subscriptions	6,200.00	6,500.00	-300.00	6,650.00
6730	In-School Administration System	2,000.00	10,000.00	-8,000.00	-
6755	Medical and 1st Aid	565.00	1,500.00	-935.00	1,348.00
6800	Hospitality	751.00	8,000.00	-7,249.00	9,074.00
6860	School Canteen	14,712.00	120,000.00	-105,288.00	125,398.00
		<b>€40,820.00</b>	<b>€330,500.00</b>	<b>€289,680.00</b>	<b>€331,284.00</b>
<b>Expenditure Financial</b>					
7450	Bank Charges	225.00	1,000.00	-775.00	923.00
		<b>€225.00</b>	<b>€1,000.00</b>	<b>€775.00</b>	<b>€923.00</b>
	<b>TOTAL Expenditure</b>	<b>€203,757.00</b>	<b>€1,101,950.00</b>	<b>€898,193.00</b>	<b>€1,009,375.00</b>
	<b>NET SURPLUS/DEFICIT</b>	<b>€73,868.00</b>	<b>€23,575.00</b>	<b>€50,293.00</b>	<b>€54,592.37</b>

## 4. Balance Sheet

Balance Sheet Report			
Sample C & C School		Date Range: 1st Sep 20XX To 31st Aug 20XX	
Code	Description	20XX	20XX
		Current	Comparative
		€	€
<b>Balance Sheet</b>			
<b>Fixed Assets</b>			
<b>Fixed Asset Fixed asset</b>			
1420	Capital: Furniture, Fittings	44,582.00	44,582.00
		<b>€44,582.00</b>	<b>€44,582.00</b>
	<b>TOTAL Fixed Assets</b>	<b>€44,582.00</b>	<b>€44,582.00</b>
<b>Current Assets</b>			
<b>Current Asset Debtors and Prepayments</b>			
1710	Stock	1,598.00	1,598.00
1720	Prepayments	12,131.82	12,131.82
		<b>€13,729.82</b>	<b>€13,729.82</b>
<b>Bank and Cash Accounts</b>			
1800	Current Account	76,489.00	6,489.00
1810	Deposit Account	47,948.00	47,948.00
1900	Petty Cash A/c	114.00	107.00
		<b>€124,551.00</b>	<b>€54,544.00</b>
	<b>TOTAL Current Assets</b>	<b>€138,280.82</b>	<b>€68,273.82</b>
<b>Current Liabilities</b>			
<b>Current Liability Accruals</b>			
2150	Grants Received in Advance	797.00	3,197.00
2250	PAYE/PRSI Control	2,722.00	2,983.00
2440	Accruals	515.00	1,715.00
		€4,034.00	€7,895.00
	<b>Current Assets less Current Liabilities</b>	<b>€134,246.82</b>	<b>€60,378.82</b>
	<b>Total Assets less Current Liabilities</b>	<b>€178,828.82</b>	<b>€104,960.82</b>
<b>Capital &amp; Reserves</b>			
<b>Capital and Reserves Retained Profit</b>			
2700	Retained Surplus	54,592.37	-
2710	Surplus Brought Forward	13,075.45	13,075.45
		€67,667.82	€13,075.45
<b>Capital and Reserves Contribution Fixed Assets</b>			
3920	DES Equipment Grants	37,293.00	37,293.00
		<b>€37,293.00</b>	<b>€37,293.00</b>
	<b>TOTAL Capital &amp; Reserves</b>	<b>€104,960.82</b>	<b>€50,368.45</b>
	<b>Income And Expenditure Account</b>	<b>€73,868.00</b>	<b>€54,592.37</b>
		<b>€178,828.82</b>	<b>€104,960.82</b>

## 5. List of all Creditors/Accruals

### Sample list of Creditors/Accruals

Telephone	400
Bord Gas	300
Office Supplies	260
Cleaning Materials	150
Computers	2500
Wood works Supplies	2100
<b>Total Due</b>	<b>5710</b>

## 6. Capital Income and Expenditure Account Report

### Buildings Projects Report

School Name  
Roll Number  
Project description  
Date

Insert name here  
12645J  
Building project  
31/12/20XX

Income		COA code	Actual	Budget	Variance
			€	€	€
	3900	Department grants			-
	3901	Fundraising Income			-
	3903	Trustees/Patron contribution			-
	3902	Parents Funding			-
		Past Pupils Union contribution			-
	3907	Donations			-
		Restricted /Designated Funds			-
	3904	Other (sports grant, lottery etc.)			-
<b>Total</b>			-	-	-
Expenditure					
	3940	Professional Fees			-
	3940	Building Contractor bills			-
	3940	RCT/VAT payments			-
	1421	Furniture and Fittings			-
	1460	ICT (including wifi)			-
	3940	Insurance			-
	3940	Building Bond			-
	3940	Retention payment			-
	3940	Other			-
<b>Total</b>			0	0	0
<b>Surplus/Deficit</b>			0	0	0

## Grants payable to Community & Comprehensive Schools

**1. Non-Pay Grant:** Rate payable per pupil. The non-pay grant is designed to cover normal school running costs. There is a 25% deduction to the Non-Pay Grant for PPP schools.

The non-pay budget also includes a provision of a lump sum, plus an additional capitation grant per pupil under the heading of *Minor Works of a Capital Nature*. The Minor Works Grant is not payable to PPP schools.

The grant is paid in four instalments: January, April, July and October.

**N.B. January and April payments are calculated based on 90% of the previous year budget divided by four with one quarter paid in January & one quarter paid in April. Full adjustment for the current year enrolment is applied to the July and October payments which is paid in two equal amounts.**

**2. Non-Teaching Pay Grant:** This grant is designed to cover the cost of staffing allocations approved by the Department. The grant is based on the sanctioned staff numbers and salary based on Department approved salary scales. Schools Financial Division should be notified of all changes to sanctioned staff. It should also be noted that approval must be sought for all new sanctioned staff from Schools Division Financial.

### **Contributory pension scheme for full-time non-teaching employees:**

A deduction corresponding to the annual total of such pension contributions is made by the Department from the individual school grant, this started in 2021.

There is no Departmental sanction given for Caretakers and Cleaners in PPP schools.

The grant is paid in four instalments: January, April, July and October.

**N.B. January and April payments are calculated based on 90% of the previous year budget divided by four with one quarter paid in January & one quarter paid in April. Full adjustment for the current year census is applied to the July and October payments and a deduction is made for the prior year's employees annual pension contributions. It is paid in two equal instalments.**

**DEIS Grant (DEIS Schools only):** Schools included in the School Support Programme under DEIS receive a grant which is based on the level of concentrated disadvantage in each school and the school's enrolment. Queries in relation to the DEIS grant should be directed to Social Inclusion Unit in the Department.

**3. The School Services Support Fund:** Rate payable per pupil in three instalments in November, March and June. The minimum grant payable is based on 200 pupils and thereafter according to enrolments. There is a 25% deduction of the SSSF Grant applied to PPP schools.

**4. The capitation grants for PLC pupils** are now paid by Solas and not the Department of Education (DE). They are paid at the same rate as the DE grants.

- a. **Non-Pay Grant:** Rate payable per pupil
- b. **Minor work Grant:** Rate payable per pupil
- c. **School Services Support Fund:** Rate payable per pupil
- d. **PLC additional per capita:** Rate payable per pupil

There is a 25% deduction to the PLC allocation for PPP schools.

It is expected that the grants will be paid out to same schedule as the corresponding Department of Education grants.

## 5. Programme Grants

- a. **Leaving Certificate Applied Grant:** Rate payable per pupil in LCA. This is based on pupil enrolment in 5th and 6th year of LCA programme
- b. **Junior Certificate Schools Programme:** Rate payable per pupil in First Year JCSP
- c. **Transition Year Grant:** Rate payable per pupil in Transition Year
- d. **Physics and Chemistry:** Rate payable per pupil taking Physics and/or Chemistry in 5th and 6th Year.

**6. Book Grant:** Rate payable per pupil (excluding number of PLC pupils).

**7. Special Class Grant:** A grant is payable per pupil, in respect of pupils psychologically assessed as having a mild or moderate learning disability and who participate in NCSE approved special classes.

**8. Traveller Pupils Grant:** A grant is payable for each Traveller pupil.

**9. Supervision/Substitution Scheme Funding:** Where a teacher has opted out of Supervision and Substitution Scheme, an amount equivalent to the supervision and substitution allowance has been allocated to the teacher's school for the provision of supervision and substitution duties. This grant cannot be used to pay full-time teachers or teachers who have opted out of the Scheme for supervision and substitution on a casual/non-pensionable basis.

The school will receive €1,769 per annum for teachers employed pre-1 January 2011 and €1,592 for teachers employed post- 31st December 2010 who opted out of the scheme.

**10. Capital Grants:** With prior trustee approval, the board of management may seek capital funding from the Department of Education under the following categories:

- Major Projects
- Additional Accommodation
- Emergency Works)
- Remediation Programmes
- Summer Works Scheme

Application forms for Major Capital Works (Form SLE) and Additional Accommodation (Form ASA) should be downloaded from [www.gov.ie](http://www.gov.ie) select Department of Education, click on School Building and Design.

Post-primary schools requiring **emergency works** to be undertaken must apply under this scheme by completing the online Emergency Works Application Form available through the Esinet system under the tab labelled 'Devolved Projects'.

**11. Calculation of grants:** You can calculate your expected grant income for the school year using the FSSU budget templates that are available on the FSSU website.

# Online Claims System Guidelines

## 1. Introduction

The Department of Education have issued Circular 0024/2013 'Operational Guidelines for Boards of Management and Staff designated to operate the Online Claims system in recognised primary and post primary schools.' The purpose of this Circular is to update school management authorities and staff on the procedures and recommendations regarding the operation of the On Line Claims System (OLCS).

**The procedures and recommendations outlined shall be implemented at all times.**

This financial guideline outlines the details of the circular highlighting new requirements in relation to security and reporting.

## 2. Security Procedures

Persons authorised to use OLCS must:

- a) keep their User ID, password, email address and other information secure at all times and not disclose them to anybody including other members of staff.
- b) not reveal passwords to a third party.
- c) logout of OLCS before leaving a computer unattended.
- d) not authorise any computer programme to remember their security details.

The Esinet site is a secure site and as a security measure, if the OLCS application has not been used for more than thirty minutes, it will automatically log the user out of the system.

If login details are lost or forgotten it will be necessary to authenticate the details provided when first registered on OLCS when requesting new login details.

## 3. Role of Boards of Management

Boards of management:

- a) have a responsibility to ensure that at school level the integrity of the system is maintained at all times.
- b) should formally approve the roles of personnel involved in the On-line Claims System.
- c) must ensure on an ongoing basis that under no circumstances should the same person in a school undertake the role of Data Entry and Approver.
- d) should ensure that supporting documentation in relation to the data input on OLCS is retained securely in the school with the relevant personnel records i.e. medical certificates, attendance at in-service/in-career courses and applications forms for board approved leave.

**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.**

## 4. OLCS Roles

There are four distinct roles assigned to personnel at school level to operate OLCS. These roles are as follows:

### a) Data Entry

The role of the person with responsibility for Data Entry is to input the data i.e. input the details of absences of staff members, claims for casual and non-casual staff members and other details to the system.

The role of the Data Entry person is a distinct role and under no circumstances should the same person undertake a dual role on OLCS.

The Data Entry person should not be a person employed as a special needs assistant in the school.

### b) First Approver

The role of the First Approver is to verify that the data input by the Data Entry person is correct and to approve the data.

The Approver should always ensure that:

- i) details and in particular the bank account details of teachers and special needs assistants are input correctly to the system.
- ii) a copy of the Staff Member Set up Form is signed by the staff member and a copy retained by the school in the staff member's personnel file.
- iii) the terms of Department Circulars relating to vetting, teacher registration, membership of single pension scheme etc. are being complied with when claims are being made.
- iv) supporting documentation e.g. medical certificates and application forms for leave absences etc. have been obtained from the staff member and approved by the board of management where necessary prior to recording the leave details on OLCS.
- v) all absences are recorded on OLCS whether substitutable or not.

### c) Second Approver

The role of the second Approver is to approve the leave/claims in respect of the first Approver's absences and can also approve data entered by the Data Entry person.

### d) Local Administrator

The Local Administrator is an additional role assigned to the first approver in the school and his/her role is to re-assign data entry roles within the school and to set up new data entry users.

To set up a new approver the "Approver Change Request Form" should be downloaded from the Landing Page on OLCS, completed and posted to the Department of Education.

The new user ID and password is then issued to the Approver by return of post.

**The board should formally approve the roles of personnel involved in the OLCS and include this in the board minutes.**



## 5. Resetting of passwords

An automated system is now available that enables school users to reset their own passwords. It is important that school users record their email address when logging in to use the automated system. This email address should only be used by the registered user.

## 6. Reports

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.**

## 7. Audit Trail

As with all computerised systems an audit trail of records and the dates and times of transactions are maintained on the system.

**The Department is obliged to refer to An Garda Síochána, any fraudulent claims for payment in respect of Substitution or Part-time hours or any falsified records with regard to leave of absence. In these circumstances it will be a matter for An Garda Síochána to determine what action, if any, should be taken and consequently may result in a criminal prosecution.**

# Revenue Compliance

## Payroll Taxes

The board of management is the legal employer of all staff in the school. The board of management is responsible for ensuring all their employees receive certain basic employment rights. These rights are governed by detailed employment legislation. As the legal employer the board of management is responsible for ensuring that all payments made by the school comply with PAYE regulations.

The following is a summary of the board of management's responsibilities in relation to Revenue compliance:

- Make deductions at source of Income Tax, USC, LPT and PRSI from payments made to employees and an obligation to remit deductions to Revenue.
- Ensure all payments made to employees are Revenue compliant.
- Keep and maintain, in paper or electronic format, a register of all employees.
- Notify Revenue of all new employees in the school.
- Notify Revenue when employees cease employment with the school.
- Determine the employment status of an individual i.e. is the person an employee or are they self-employed.
- Filing and payment of all Revenue payroll returns on time.

## Reverse Charge Tax (RCT) and Reverse Charge VAT

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

This means that a board of management is responsible for complying with RCT requirements and VAT returns when making payments to the building contractor. In addition, the Revenue has introduced a mandatory electronic RCT system with effect from January 1, 2012 for all principal contractors. From that date all filings and notifications to Revenue by a principal contractor must be done through the Revenue Online (ROS) system.

Under section 20 of the Finance Act 2011, new regulations have been introduced which affect the tax treatment of payments to contractors engaged by schools on "Construction operations".

Construction operations" means operations of any of the following descriptions:

- a) The construction, alteration, repair, extension, demolition or dismantling of buildings or structures;
- b) The construction, alteration, repair, extension or demolition of any works forming, or to form, part of the land, including walls, road-works, power lines, telecommunication apparatus, aircraft runways, docks and harbours, railways, inland waterways, pipelines, reservoirs, water mains, wells, sewers, industrial plant and installations for purposes of land drainage;
- c) The installation in any building or structure of systems of heating, lighting, air-conditioning, soundproofing, ventilation, power supply, drainage, sanitation, water supply, burglar or fire protection;
- d) The installation in or on any building or structure of systems of telecommunications;
- e) The external cleaning of buildings (other than cleaning of any part of a building in the course of normal maintenance) or the internal cleaning of buildings and structures, in so far as carried out in the course of their construction, alteration, extension, repair or restoration;

Operations which form an integral part of, or are preparatory to, or are for rendering complete such operations as are described in paragraphs (a) to (d), including site clearance, earth-moving, excavation, tunnelling and boring, laying of foundations,

### Relevant Contracts Tax (RCT)

Relevant Contracts Tax (RCT) is a tax regime which applies to construction contracts where the tax is deducted from payments due to a sub-contractor by the principal contractor. The rates of RCT are either 0%, 20% or 35%.

#### 1. Relevant Contracts Tax (RCT)

- RCT is a withholding tax operating in the construction sector since the 1970s
- School boards of management are classified as principal contractors for RCT
- All schools should be registered for RCT whether or not a contract is imminent
- RCT must be operated by a **principal contractor** making **relevant payments** to a sub-contractor under a relevant contract
- A relevant contract refers to **the construction, alteration, repair, extension, demolition or dismantling of buildings and structures**. It includes contracts of all sizes involving construction, repair or alteration.
- Maintenance only contracts are not included Contracts involving **maintenance and repair** are included
- RCT is an electronic system processed through ROS and its key features are:
  - Contract Notification
  - Payment Notification
  - Deduction Authorisation
  - Deduction Summary/Return
  - Payment of RCT due by 23rd of month after the period covered by the return
- RCT -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

## VAT Reverse Charge

Where a board receives construction services, other than haulage for hire, it must account for VAT on such services to Revenue. **The method of accounting for VAT in such cases is known as reverse charge.** In effect, the board, which receives the services, charges itself the VAT that would otherwise be charged by the subcontractor. The board accounts to Revenue for that VAT.

Boards of management are not entitled to deductibility for VAT incurred, therefore the “VAT on Purchases” figure in the VAT 3 form will be NIL. The VAT payable to Revenue will be the full amount of the VAT arising on the construction services.

Further information is available on our website [www.fssu.ie](http://www.fssu.ie) and in the guidance note below.

[Guidance Note/Boards of Management/Relevant Contracts Tax/Value Added Tax](#)

## 2. VAT Reverse Charge

- Principal contractors must register for VAT to operate the VAT reverse charge on construction
- Sub-contractors should invoice the board of management net of VAT
- The invoice must contain the statement: **“VAT on this supply to be accounted for by the Principal Contractor”**
- VAT should only be paid to Revenue; VAT is never paid to sub-contractors
- VAT on construction services is calculated at 13.5% and included in **VAT 3 Return** bimonthly (even 0)
- VAT due is included in VAT 3 return as “VAT on Sales” (T1 - only relevant entry)
- A board of management is not entitled to deductibility for VAT incurred
- A separate invoice should be received for supply of goods/services other than construction services
- VAT is included in the normal way on payments to architects/engineers and paid directly to them.
- Annual Return of Trading Details to be filed

**If in any doubt contact Revenue through ROS MyEnquiries.**

**The FSSU is available to provide detailed support at any stage of the process.**

# Charities Regulator – Compliance

The **Charities Regulator** is Ireland's national statutory regulatory agency for charitable organisations. Under the Charities Act 2009, all recognised schools in Ireland are required to register with the Charities Regulator.

Under the Charities Act 2009, if the charity is **an unincorporated body or a body corporate** (other than a company) the **charity trustees** include any officers or people acting officially in the management and control of the organisation such as members of the board of management or governing committee. Therefore, reference to 'charity trustee' below means the 'board of management members'.

## 1. General duties of a charity trustee as per the Act, although not an exhaustive list include:

- Comply with their charity's **governing document e.g. Articles of Management**
- Ensure that their charity is carrying out **its charitable purposes for the public benefit**
- Ensure that their charity is **registered** on the Charities Regulator's Register of Charities
- Ensure that their charity keeps **proper books of account**
- Ensure that their charity **provides an annual report and annual accounts** to the Charities Regulator (The FSSU will submit the finance report on behalf of schools and a representative of the board must then approve the submission.)
- Act in the **best interests** of their charity
- Act with **reasonable care and skill**
- **Manage the assets** of their charity (make appropriate investment decisions)
- Ensure **the Charities Regulator is informed in writing of an offence**, where in your opinion and having reasonable grounds for believing an offence under the Criminal Justice (Theft and Fraud Offence Act 2001 has been or is being committed).
- Ensure you **comply with directions issued by the Regulator**

The Charities Regulator has issued a detailed guideline for charity trustees called '**Guidance for Charity Trustees**' which is available on [www.charitiesregulator.ie](http://www.charitiesregulator.ie)

## 2. Updating Board of Management Members details

Schools must ensure their board of management member details are up to date. Schools may have a new board of management commencing their three-year term of office on the 15th of October 20XX or other schools may have had resignations from the board of management. These changes should be reflected in the school's Charities Regulator account.

## 3. New Board Members

In relation to new board members, each school must confirm to the Charities Regulator the following:

**“All members of the board of management must not be disqualified, under Section 55 of the Charities Act 2009 from being a trustee (board of management member) of a charitable organisation.**

Under Section 55 of the Charities Act 2009, a person shall cease to be qualified for, and shall cease to hold, the position of charity trustee of a charitable organisation if that person –

- a) is adjudicated bankrupt
- b) makes a composition or arrangement with creditors

- c) is a company that is in the course of being wound up
- d) is convicted on indictment of an offence
- e) is sentenced to a term of imprisonment by a court of competent jurisdiction
- f) is the subject of an order under section 160 of the Companies Act 1990 or is prohibited, removed or suspended from being a trustee of a scheme under the Pensions Acts 1990 to 2008
- g) has been removed from the position of charity trustee of a charitable organisation by an order of the High Court under section 74."

#### 4. Trustees Responsibility on Accounting for Funds

The Charities Regulator expects charity trustees to be able to explain and justify their approach to internal financial controls.

Internal financial control activities assist charity trustees to:

1. safeguard the charity's assets;
2. administer the charity's financial affairs in a way that proactively identifies and manages risk;
3. help prevent and detect potential fraudulent activity; and
4. monitor and act upon financial reporting, by ensuring that proper books of account are maintained so that timely and relevant financial information can be obtained.

By their nature, internal financial controls reduce, but do not eliminate, the risk of loss. However, internal controls help trustees prevent and/or detect the risk of any such loss events in a more timely manner. Internal financial controls should also be designed and implemented to help maximise value for money objectives on behalf of the charity.

The Charities Regulator has issued a detailed guideline for charities on '**Internal Financial Control Guidelines For Charities**' which is available on [www.charitiesregulator.ie](http://www.charitiesregulator.ie)

#### 5. Fundraising

It is critical that schools carry out all fundraising from the parents and public in an open, transparent, honest, respectful and accountable manner.

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.**

The Charities Regulator has issued a detailed guideline for charities, '**Guidelines for Charitable Organisations on fundraising from the public**' which is available on [www.charitiesregulator.ie](http://www.charitiesregulator.ie)

#### 6. Charities Regulator Annual Return

All charitable organisations are obliged to report on their financial activities. To facilitate schools, the FSSU shares the required financial information with the Charities Regulator. This information is pre-populated in the Charities Regulator's annual report form for your school. Schools must review the information to ensure it is correct by **30th June each year**.

# Preparation and Submission of Annual Financial Accounts

Education Act 1998 (Section 18) states

“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.”

The Department of Education requires boards of management to submit an approved copy of their annual school accounts each year to ensure compliance with Section 18 of the Education Act 1998.

Boards must prepare their accounts using the accruals basis for accounting and present the accounts in the FSSU standard format. External school accountants/auditors are required to prepare the accounts in a format required by the FSSU. Adequate resources must be allocated to ensure that proper accounting records are maintained in a timely fashion. The accounting records should be maintained in the school and available to the Principal for the day to day management of the school's finances.

The timescale below is a guide to support boards of management in achieving compliance with the February 28th deadline for submission of accounts to the FSSU. The suggested deadlines below should be seen as the latest dates at each stage of the process. The timescale below allows a maximum of six months following the end of the school year to complete the submission of annual accounts to the FSSU.

The patron/trustee may have additional requirements around the preparation and finalisation of annual accounts. Where this the case, please adhere to these requirements. A copy of the approved annual accounts should be forwarded to the patron/trustee annually.

School Annual Accounts Preparation Stages	Date Deadline
The school supplies all necessary financial information to the <b>external school accountant/auditor</b> for the school year ending on the previous August 31st.	September 30th
The draft annual accounts are returned by the external school accountant/auditor.	November 30th
Once the school <b>board of management</b> is satisfied that these accounts are an accurate reflection of the school's financial situation, they are formally ratified by the Board, <u>signed by the Chairperson and one other Board member</u> .	December 31st
<b>External school accountants/auditors</b> are required to access FSSU's secure online cloud based system and to input the school trial balance and to upload a PDF copy of the approved annual accounts.	February 28th

# Financial Report for Parents

A template to prepare a financial statement for parents is available under the School Management section of the FSSU website.

Your external school accountant/auditor will prepare this template.

## Template

\_\_\_\_\_ (Insert School Name)

### Financial Report to Parents

#### Summary Financial Statement for the School Year 20XX/20XX

		€
<b>Income</b>		
Department of Education Funding		0
Other State Funding		0
School Income	Parent Voluntary Contributions	0
	Rental School Property	0
	Fundraising	0
	Parents Association	0
	Other Income	0
<b>Total Income</b>		<b>0</b>
<b>Expenditure</b>		
Education Expenditure	Classroom Materials and Teaching Aids	0
	All Other Education Related Expenditure	0
School Maintenance	Light, Heat and Power	0
	Insurance	0
	Cleaning and waste disposal	0
	Rent, Rates and Local Charges	0
	All Other Caretaking and Maintenance	0
School Administration	Printing, Postage and Stationary	0
	In-School Administration Systems	0
	Telephone/SMS	0
	All other Administration Expenses	0
Financial	Bank Charges, Interest, Leasing	0
<b>Total Expenditure</b>		<b>0</b>
<b>Surplus (Deficit) for the year</b>		<b>0</b>
<b>Capital Projects</b>		
Income	Department Capital Grants Income	
	Other Capital Income	0
Expenditure	Department Capital Grants Expenditure	
	Other Capital Expenditure	0
<b>Surplus (Deficit) for the year</b>		<b>0</b>



# **Section B: Financial Governance for the Finance Sub-committee**

# A guide for Finance Sub-Committees on reviewing monthly financial reports

## 1. Introduction:

The purpose of this guide is to provide support to finance sub-committees on how to review the monthly financial reports. The steps outlined below will ensure that the finance sub-committee has the opportunity to review the relevant financial information and prepare their summary report for the full board of management meeting.

- The finance sub-committee should comprise of two board members and the Principal. The board of management may wish to invite a non-board member with financial expertise to be co-opted to the committee.
- The finance sub-committee should have an agenda for each meeting and maintain minutes of their meeting. These minutes should be filed with the minutes from the main board of management meeting.

## 2. Reviewing monthly financial reports:

**Step 1: Ensure the FSSU recommended financial reports are sent securely to the finance sub-committee at least 3 days ahead of the meeting. It is important that the reports are completed up to the last day of the preceding month.**

Members of the finance sub-committee must be mindful of the confidentiality of these reports.

The financial reports to be sent in advance to the finance sub-committee are:

- » A list of balances on all school bank and cash accounts
- » A bank reconciliation statement for each bank account
- » Payments and receipts listings for each bank account
- » Income and Expenditure Account report showing actual versus budgeted figures
- » Balance Sheet report

The following supporting documentation should be available at the meeting:

- » List of all creditors/outstanding invoices/accruals
- » Supplier invoices and statements since the last committee meeting
- » Summary of income/grants received in advance for the next school year
- » List of prepayments
- » Gross to net payroll reports since the last committee meeting
- » List of employees showing their approved gross annual/weekly/monthly/hourly pay
- » Capital income and expenditure account report
- » Bank Statements
- » Credit card statement and supporting documentation approved by the chairperson
- » Nominal general ledger/nominal activity report
- » RCT and VAT returns since the last committee meeting
- » FSSU Guidelines issued since last committee meeting

### 3. STEP 2: Review of financial reports:

Each of the financial reports listed above should be reviewed in detail by the finance sub-committee for accuracy and completeness. Below we have explained the purpose of each report and a process for reviewing these reports.

#### 3.1 Balances on all school bank accounts

A list of all the schools bank accounts together with their balances and last reconciled date should be printed.

It is important that **all** bank accounts held in the name of the school are included in the reports.

Such accounts include:

- » School Current Account
- » Deposit Accounts (demand and fixed term)
- » Credit Union Accounts
- » Credit Card Accounts
- » Fundraising Accounts
- » Building Project Accounts
- » Linked/common Bank Accounts
- » Student Council Accounts
- » Petty Cash Accounts

The parents' association bank account should be presented to the board of management at least once a year and must be included in the annual financial accounts of the school. The Principal must be one of the signatories on the parents association bank account.

The number of school bank accounts must be kept to a minimum. All monies received for the benefit of the school should be lodged in the main school bank account. All schools must use a computer system to maintain their accounting records. Within the computerised accounts systems various departments may be set up to account for specific income and expenditure. A report can then be generated for each specific account. e.g. ICT grant income and expenditure. This reduces the need for separate bank accounts for the various sources of funding.

#### Review actions:

1. Have the balances on all school bank accounts been presented?
2. Are all bank accounts necessary?
3. Are school bank account statements addressed to the secretary of the board at the school address?
4. Check to see if any bank accounts have been open or closed during the period. If yes has the board approved these changes?

Simple Trial Balance Report			
Sample C & C School		Date Range: 1st Sep 20XX To 31st Oct 20XX	
Code	Description	Debit	Credit
1800	Current Account	76,489.00	–
1810	Deposit Account	47,948.00	–
1900	Petty Cash A/c	114.00	–
Totals:		€124,551.00	–

### 3.2 Bank reconciliation statement for each bank account

The bank reconciliation statement is prepared to ensure that all transactions recorded on the bank statements are included in the school accounts computer package correctly. The report will show the closing balance of the bank account per the accounts package, the closing balance per the bank statement and any outstanding transactions. The bank reconciliation statement helps identify differences between the bank balance and book balance i.e. the balance recorded on the accounts package. The bank reconciliations must be prepared to the previous month end and agreed to the balance sheet figure. A bank reconciliation must be prepared each month and the bank reconciliation report printed for each account.

#### Review actions:

1. Has a bank reconciliation report been prepared for all school bank accounts?
2. Check the date on the bank reconciliation report to ensure it is reconciled to the accounting period under review.
3. Ensure that there is no difference on each bank reconciliation statement.
4. Check the closing balance on the bank statement to the closing balance on the bank reconciliation report to ensure they match.
5. Review the un-presented payments for accuracy, checking for
  - a. Old/stale cheques – cheques more than six months old should be followed up
  - b. Possible duplicated payments entries,
  - c. Online payments/EFT should not be on the list of un-presented payments.
6. Review the outstanding receipts for accuracy, checking for
  - a. Possible duplicated receipts entries,
  - b. Errors.

#### Bank Reconciliation Report

Sample C & C School

2 **1800 Current Account**

1 **30-Oct-20XX**

Balance as per Surfaccounts

76,489.00

4 Balance per Bank Statement

76,489.00

5 **Less** un-presented Payments

-0.00

6 **Plus** un-presented Lodgment

0.00

**Reconciled Balance**

**76,489.00**

3

### 3.3 Payments and receipts listings for each bank account

A list of receipts and payments for all bank accounts should be reviewed, for the period since the sub-committee last met. For example, at the last meeting the sub-committee reviewed the reports until the end of October. They are meeting in late January so they should see the listings for the period November and December.

### 3.4 Income and Expenditure Account

The Income and Expenditure Account report summarises all the day to day income and expenditure transactions undertaken by the school from the 01st September in the current school year to the most recent reconciled period.

The Income and Expenditure Account report should show the actual activity, the budget for the current school year, a difference column and the comparative activity for the previous school year.

The FSSU has organised the general ledger account codes into categories depending on type and this determines which category each account appears in the board of management reports. A summary of the categories of income and expenditure are set out below.

#### 3.4.1 Code 3000 to 3899 Income

**3000-3294 Department of Education Income:** The main source of school income is grants payable to schools in the Free Education Scheme both on a per capita basis and for specific purposes. Many of the grants received by schools go into general school funds and are used to pay for school expenditures, as outlined below. However, some grants received may only be used for specific purposes, see section 3.5.4 Ringfenced grants unspent for a list of these grants.

**3295-3299 Other State Income:** Income received from other state bodies.

Example: School Meals Grants received from the DEASP, HSE Funding

**3300-3599 School Generated Income:** This is income generated within the school from various activities or ventures such as locker rental, school administration charges and income from games and books.

#### 3600-3899 Other Income

- **3650 Voluntary Contributions** - Contributions received from parents on a voluntary basis not connected to specific school activities.
- **3851-3853 Restricted and Unrestricted Fundraising** - Fundraising income must be allocated to restricted or unrestricted codes. Annual accounts must adequately identify, distinguish and report upon unrestricted, restricted and designated income to enable adequate reporting of income and reserves.

### 3.4.2 Code 4000-8999 Expenditure

**4000-4299 Education – Salaries:** All salaries (including PAYE, USC and PRSI) to private, part-time and substitute teachers and payments to teachers and other persons for education related services including bus escorts, state exam salaries and canteen staff salaries.

**4300-4999 Education – Other:** Expenditure includes all teaching aids, consumable materials and all expenses related to curriculum and education activities.

**5000-5999 Repairs, Maintenance and Establishment:** Current expenditure related to the upkeep and maintenance of school buildings, grounds, furniture, fittings and equipment, caretaking costs, cleaning, insurance, light, power and heating.

**6000-6999 Administration:** Administrative salaries and services, printing, postage, telephone and stationery.

**7000-7999 Financial:** Bank interest and charges.

**8000-8999 Depreciation:** Depreciation is an accounting method of allocating the cost of a tangible asset over its useful life and is used to account for declines in value over time. This is typically done at the year-end by the external school accountant/auditor.

#### Review actions:

1. Has the report been generated from the 01st September in the current school year up to the most recent month end?
2. Have the budget figures been included on the report?
3. Does the report show the prior year figures?
4. Review each figure checking that each figure looks reasonable.
5. Look at the difference between what was received/expended and what was budgeted for the year. If expenditure, for example of stationery has exceeded the budgeted figure, this will need to be explained and addressed by cutting expenditure elsewhere or increasing income.
6. Has all grant income due from the Department of Education been received?
7. Have grants which have been received for a specific purpose (ring fenced grants) been spent only for the purpose intended i.e. as set out in the relevant Department circular? For example the book grant. See **Appendix 2** for a table of ring-fenced grants that should be monitored on an ongoing basis.
8. Have the ringfenced grants been reconciled on an annual basis and any unspent balance identified and accounted for correctly?
9. The finance sub-committee should review school generated income collected for specific purposes to ensure that it covers the cost for the purpose it was collected. If the costs exceed the income, then the board of management should approve that the deficit is to be met from general school funds. See **Appendix 3** for examples.
10. Ensure the Income & Expenditure account is still in a surplus/breakeven position. Where the school's income and expenditure account is showing a deficit consistently over a successive number of months and where the board feels that this deficit cannot be resolved by the end of the school year, the trustee/patron should be informed.

## Section B: Financial Governance for the Finance Sub-Committee

I&E Report

Sample C & C School

1

Date Range: 1st Sep 20XX To 31st Aug 20XX



Code	Description	Current Period	Budget	Variance	Comp. Period
		€	€	€	€
<b>Income and Expenditure Account</b>					
<b>Income</b>					
<b>Income Department Grants</b>					
3010	Non Pay Budget	71,361.00	349,700.00	-278,339.00	380,177.00
3020	DEIS Grant	-	26,500.00	-26,500.00	25,718.00
3030	Non Teachers Pay Budget	44,465.00	222,250.00	-177,785.00	236,887.60
3050	Support Services Grant	9,000.00	156,000.00	-147,000.00	47,948.00
3150	Book Grant	39,000.00	50,700.00	-11,700.00	43,549.00
3190	JCSP Grant	-	-	-	21,101.00
3200	Transition Year Grant	-	14,250.00	-14,250.00	15,183.00
3230	Computer / IT Grant	18,000.00	-	18,000.00	19,457.00
3240	Supervision/Substitution	10,250.00	44,225.00	-33,975.00	32,545.22
3255	SEC Exam Income	-	8,600.00	-8,600.00	9,163.00
3275	Minor Works Grant- Non Capital	-	17,800.00	-17,800.00	-
3290	Other Department Grants - Specify	1,500.00	9,000.00	-7,500.00	8,656.00
		<b>€193,576.00</b>	<b>€899,025.00</b>	<b>€705,449.00</b>	<b>€840,384.82</b>
<b>Income School Generated</b>					
3310	Transition Year Students	16,500.00	12,500.00	4,000.00	13,319.00
3330	Book Rental Receipts	27,500.00	29,000.00	-1,500.00	30,305.00
3350	Hire of Facilities Rental Income	2,060.00	10,000.00	-7,940.00	8,780.00
3390	School Administration Charges	21,950.00	30,000.00	-8,050.00	29,235.00
3410	Adult Education Income	-	-	-	5,227.55
3420	Canteen Income	16,039.00	130,000.00	-113,961.00	136,716.00
3495	Mock Exam Income	-	15,000.00	-15,000.00	-
		<b>€84,049.00</b>	<b>€226,500.00</b>	<b>€142,451.00</b>	<b>€223,582.55</b>
<b>TOTAL Income</b>		<b>€277,625.00</b>	<b>€1,125,525.00</b>	<b>€847,900.00</b>	<b>€1,063,967.37</b>
<b>Expenditure</b>					
<b>Expenditure Education Salary</b>					
4110	Substitute Teachers	4,332.00	34,000.00	-29,668.00	36,930.00
4150	Supervisors Salaries	2,455.00	44,250.00	-41,795.00	17,823.00
4155	State Exam Aides -Salaries	-	8,600.00	-8,600.00	-
4170	Adult Education Salaries	1,561.00	5,000.00	-3,439.00	4,819.00
		<b>€8,348.00</b>	<b>€91,850.00</b>	<b>€83,502.00</b>	<b>€59,572.00</b>
<b>Expenditure Education Other</b>					
4310	Teaching Aids	4,220.00	5,000.00	-780.00	5,350.00
4350	Art	12,300.00	16,000.00	-3,700.00	17,564.00
4370	Home Economics	2,569.00	6,000.00	-3,431.00	6,209.00
4390	Science	12,840.00	14,000.00	-1,160.00	15,789.00
4410	Computers / IT	2,560.00	18,000.00	-15,440.00	5,085.00

20XX					
Code	Description	Current Period	Budget	Variance	Comp. Period
		€	€	€	€
4430	Woodwork / Building Construction	4,653.00	11,000.00	-6,347.00	12,395.00
4450	Metalwork / Engineering	3,180.00	6,000.00	-2,820.00	6,786.00
4490	Other Subjects - Specify	5,097.00	24,000.00	-18,903.00	26,403.00
4550	Leaving Cert Applied	190.00	1,000.00	-810.00	1,253.00
4570	LCVP	256.00	1,500.00	-1,244.00	1,428.00
4590	Transition Year	18,420.00	26,000.00	-7,580.00	31,347.00
4620	Teacher In-service and Training	850.00	5,000.00	-4,150.00	-
4630	Career Guidance	400.00	2,600.00	-2,200.00	277.00
4650	Physical Education	360.00	2,500.00	-2,140.00	228.00
4690	Bus Hire	2,500.00	20,000.00	-17,500.00	-
4730	School Books	31,506.00	40,000.00	-8,494.00	35,009.00
4750	Mock Examination Fees	-	20,000.00	-20,000.00	21,523.00
4760	School Journal	9,735.00	10,000.00	-265.00	-
4770	Trophies and Prizes	-	1,000.00	-1,000.00	-
4810	Home / School / Liaison	512.00	1,500.00	-988.00	758.00
		<b>€112,148.00</b>	<b>€231,100.00</b>	<b>€118,952.00</b>	<b>€187,404.00</b>
Expenditure Repairs, Maintenance and Establishment					
5010	Caretaker(s): Wages	16,492.00	108,000.00	-91,508.00	210,872.00
5020	Caretaker Sports Complex	-	90,000.00	-90,000.00	-
5110	Cleaners' Wages	-	10,000.00	-10,000.00	-
5150	Contract Cleaners	3,636.00	32,000.00	-28,364.00	34,875.00
5170	Cleaning Materials	3,473.00	22,000.00	-18,527.00	23,731.00
5310	Repairs-Buildings/Grounds	3,654.00	60,000.00	-56,346.00	36,706.00
5350	Repairs-Furniture, Fittings, Equipment	2,160.00	15,000.00	-12,840.00	4,958.00
5400	Security	1,250.00	13,000.00	-11,750.00	14,378.00
5510	Heating	9,127.00	42,000.00	-32,873.00	87,532.00
5520	Refuse/Recycling	1,064.00	10,000.00	-8,936.00	11,343.00
5550	Light and Power	-	40,000.00	-40,000.00	-
5610	Rent and Rates	1,360.00	5,500.00	-4,140.00	5,797.00
		<b>€42,216.00</b>	<b>€447,500.00</b>	<b>€405,284.00</b>	<b>€430,192.00</b>
Expenditure Administration					
6010	Secretarial: Wages	9,898.00	130,000.00	-120,102.00	125,289.00
6100	Staff Recruitment	1,300.00	3,000.00	-1,700.00	14,459.00
6150	Advertising / Public Relations	150.00	1,500.00	-1,350.00	524.00
6210	Postage	700.00	5,000.00	-4,300.00	5,280.00
6250	Telephone	1,332.00	14,000.00	-12,668.00	15,752.00
6300	Printing and Stationery	395.00	3,000.00	-2,605.00	3,365.00
6305	Photocopying Expenses	2,589.00	20,000.00	-17,411.00	22,067.00
6400	Accounting / Auditing Fee	-	3,000.00	-3,000.00	-
6500	Travel and Subsistence	228.00	2,000.00	-1,772.00	2,078.00
6600	Principal's Expenses	-	2,000.00	-2,000.00	-



Code	Description	20XX			
		Current Period	Budget	Variance	Comp. Period
		€	€	€	€
6650	Board of Management Expenses	-	1,000.00	-1,000.00	-
6700	Annual Subscriptions	6,200.00	6,500.00	-300.00	6,650.00
6730	In-School Administration System	2,000.00	10,000.00	-8,000.00	-
6755	Medical and 1st Aid	565.00	1,500.00	-935.00	1,348.00
6800	Hospitality	751.00	8,000.00	-7,249.00	9,074.00
6860	School Canteen	14,712.00	120,000.00	-105,288.00	125,398.00
		<b>€40,820.00</b>	<b>€330,500.00</b>	<b>€289,680.00</b>	<b>€331,284.00</b>
<b>Expenditure Financial</b>					
7450	Bank Charges	225.00	1,000.00	-775.00	923.00
		<b>€225.00</b>	<b>€1,000.00</b>	<b>€775.00</b>	<b>€923.00</b>
	<b>TOTAL Expenditure</b>	<b>€203,757.00</b>	<b>€1,101,950.00</b>	<b>€898,193.00</b>	<b>€1,009,375.00</b>
<b>10</b>	<b>NET SURPLUS/DEFICIT</b>	<b>€73,868.00</b>	<b>€23,575.00</b>	<b>€50,293.00</b>	<b>€54,592.37</b>

### 3.5 Balance Sheet Report

The Balance Sheet report shows the school's assets and liabilities at a specific date in time. The Balance Sheet is categorised into codes using the FSSU Chart of Accounts as follows.

#### 3.5.1 1400-1699 Fixed Assets

Fixed assets are long-term assets that a school has purchased and are used for the benefit of the school. Fixed assets include furniture, fittings, and equipment (FF&E), and ICT equipment and are recorded on the balance sheet.

**1400-1410 Land and Buildings:** Funds received for land and buildings are not reflected as fixed assets in the Balance Sheet of a school as set out in Section 15(3) Education Act – “For the avoidance of doubt, nothing in this Act shall confer or be deemed to confer on the board any right over or interest in the land and buildings of the school for which that board is responsible.”

For further information on accounting treatments for grants received from the Department of Education can be found on the FSSU website.

In the case of fee charging schools, it is advised to obtain advice from your trustees and auditor on accounting for Land and Buildings on the Balance Sheet. The accounting treatment advised by the boards and trustees' auditor(s) will prevail.

**1420-1435: Fixtures, Fittings and Equipment:** abbreviated as FF&E refers to movable furniture, fixtures, or other equipment that have no permanent connection to the structure of a building for example desks, chairs, appliances etc.

**1440-1450: Motor Vehicles:** motor vehicle purchased by the school for example a bus.

**1460-1475: ICT:** purchase of ICT equipment for example data storage device, computer, printer, scanner, whiteboards etc. This should include expenditure on ICT incurred from the ICT grant and non-ICT grant funding i.e. general school funds.

#### **1480-1490: Other**

Included alongside each fixed asset code is a code for accumulated depreciation. Depreciation is a reduction of the value of the fixed asset held. This reduction is recorded as an expense in the Income and Expenditure Report. Therefore, the cost of the assets is recognised over a number of years and not in the year of purchase. The external accountant/auditor will perform this exercise at the end of the year.

### **3.5.2 1700-1799 Current Assets**

**1700: Sales Ledger Control** – Monies owed to the school for unpaid invoices issued for services e.g., hall rental

**1710: Stock** – refers to class materials, cleaning materials and other consumable goods held in the school.

**1720: Prepayments** – expenses paid in advance, see section 3.6.4 for more detail

**1730 Grants Due** – This section relates to grants due from state and other bodies for example, monies may be owed at the end of the accounting year from the State Exams Commission for the state exams held in June or retention monies due on capital projects.

### **3.5.3 1800-1999 Bank and Cash Accounts**

All school bank accounts are to be included:

- » School Current Account
- » Deposit Accounts (demand and fixed term)
- » Credit Union Accounts
- » Credit Card Accounts
- » Fundraising Bank Accounts
- » Building Project Bank Accounts
- » Linked/common Bank Accounts
- » Student Council Accounts
- » All accounts held by the parents association- (this will be submitted annually to the board)
- » Cash Account
- » Petty Cash Account

### **3.5.4 Creditors**

**2100 Creditors:** Monies owed to suppliers for unpaid invoices at the period end.

**2105 School Income Received in Advance:** Schools may receive income for the following school year in advance for example, transition year charges, school administration charges and book rental income etc. This should be accounted for on the Balance Sheet so as not to distort the current year's income figures in the Income & Expenditure report.

**2150-2152 Grants Received in Advance:** Any grants received in the current school year that relates to the following school year and should be accounted for in the relevant codes 2150-2152.

**2160-2185 Ringfenced Grants Unspent:** The portion of unspent ringfenced grant balances must be carried forward to the next accounting year. These are accounted for at the end of the year using the relevant balance sheet code (2160-2185) in the chart of accounts.

The following grants are examples of ringfenced grants:

- » Book Grant
- » Supervision and Substitution Grant
- » ICT Grant
- » Minor Works Grant
- » HSCL Grant
- » Summer Works
- » All Capital Grants
- » Specialised Equipment Grants
- » State Exam income
- » Bus Escort Grant
- » Schools Meal Grant
- » Covid Related Grants
- » Non Teacher Pay Grant

### 3.5.5 2600-2699 Long term liabilities

**2600 Long Term Loan:** If a board has a long-term loan with a financial institution or patron, it is accounted for in this section.

### 3.5.6 2700-2710 Capital & Reserves Retained Profit

**2700-2710 Capital & Revenue Reserves:** Retained surpluses/deficits on income and expenditure accumulated over previous years.

### 3.5.7 Capital & Reserves Contribution to Fixed Assets

#### 3900-3999 Contribution to Fixed Assets:

Land and Buildings – summary of capital income and expenditure for land and buildings.

Other Capital Grants e.g. ICT grant, Furniture and Equipment grants

Building Fund Account – accumulated capital income and expenditure for land and buildings brought forward.

*This includes codes for “accumulated amortisation of capital income”.* This is an accounting method of reducing that value of a capital grant/contribution received in line with the depreciation charge of the relevant asset. This is typically done at the year-end by the external school accountant/auditor.

**Review actions:**

1. Has the report been generated from the start of current school year up to the most recent month end?
2. Does the report show the prior year figures?
3. Check the additional expenditure in the fixed assets. Was this expenditure approved by the board?
4. Check the balances on the bank accounts to the bank reconciliation reports.
5. The purchase ledger account shows the balance owed to suppliers at the end of the month. This should match back to the printout of the outstanding supplier balances. This will only apply to school's that operate the purchase/supplier ledger.
6. Review the list of liabilities to ensure they are accurate.
7. Ensure that the balance owed on payroll taxes, VAT and RCT are correct and are being paid on a timely basis.
8. Check that the balance sheet balances.
9. If there is any balance in a suspense account, it should be examined.

Balance Sheet Report			
Sample C & C School		1 Date Range: 1st Sep 20XX To 31st Aug 20XX	
Code	Description	20XX	20XX
		Current	Comparative
		€	€
<b>Balance Sheet</b>			
<b>Fixed Assets</b>			
<b>Fixed Asset Fixed asset</b>			
1420	Capital: Furniture, Fittings	44,582.00	44,582.00
		<b>€44,582.00</b>	<b>€44,582.00</b>
	<b>TOTAL Fixed Assets</b>	<b>€44,582.00</b>	<b>€44,582.00</b>
<b>Current Assets</b>			
<b>Current Asset Debtors and Prepayments</b>			
1710	Stock	1,598.00	1,598.00
1720	Prepayments	12,131.82	12,131.82
		<b>€13,729.82</b>	<b>€13,729.82</b>
<b>Bank and Cash Accounts</b>			
1800	Current Account	76,489.00	6,489.00
1810	Deposit Account	47,948.00	47,948.00
1900	Petty Cash A/c	114.00	107.00
		<b>€124,551.00</b>	<b>€54,544.00</b>
	<b>TOTAL Current Assets</b>	<b>€138,280.82</b>	<b>€68,273.82</b>
<b>Current Liabilities</b>			
<b>Current Liability Accruals</b>			
2150	Grants Received in Advance	797.00	3,197.00
2250	PAYE/PRSI Control	2,722.00	2,983.00
2440	Accruals	515.00	1,715.00
		€4,034.00	€7,895.00
	<b>Current Assets less Current Liabilities</b>	<b>€134,246.82</b>	<b>€60,378.82</b>
	8 <b>Total Assets less Current Liabilities</b>	<b>€178,828.82</b>	<b>€104,960.82</b>
<b>Capital &amp; Reserves</b>			
<b>Capital and Reserves Retained Profit</b>			
2700	Retained Surplus	54,592.37	-
2710	Surplus Brought Forward	13,075.45	13,075.45
		€67,667.82	€13,075.45
<b>Capital and Reserves Contribution Fixed Assets</b>			
3920	DES Equipment Grants	37,293.00	37,293.00
		<b>€37,293.00</b>	<b>€37,293.00</b>
	<b>TOTAL Capital &amp; Reserves</b>	<b>€104,960.82</b>	<b>€50,368.45</b>
	<b>Income And Expenditure Account</b>	<b>€73,868.00</b>	<b>€54,592.37</b>
	8	<b>€178,828.82</b>	<b>€104,960.82</b>

These two figures  
should match

### 3.6 List of all creditors/accruals, summary of income/grants received for next school year and prepayments

#### 3.6.1 List of all creditors/outstanding invoices/accruals

This report shows a list of outstanding/unpaid invoices at the end of the period. Where schools operate the purchase/supplier ledger on the accounts package, an aged supplier balance report can be generated at the end of the period showing the outstanding balances. Where schools do not operate the purchase/supplier ledger the finance sub-committee should receive a list of outstanding invoices.

In order for the board to be able to anticipate future cashflow and have a true view of the current financial situation, it is important to list invoices that have been received and are not yet paid, or are due to be received. This list can be compiled each month by retaining all such invoices and a list of invoices due to be received, in a separate folder.

##### Review actions:

1. Check that the balances on the list matches back to either a supplier statement or unpaid invoice.
2. Are the invoices properly addressed to the school?
3. Have the goods been received, services provided, and work been completed satisfactorily?
4. Have the invoices been approved by the Principal?
5. Have the anticipated costs been approved by the board?
6. Examine the aged list of creditors to ensure that the school is paying its bills on time.
7. The list of accruals/outstanding invoices should be totalled and check if the school has sufficient funds to pay its liabilities.
8. If the school is currently undertaking any capital works, ensure that a list of the outstanding invoices are received.

#### 3.6.2 Summary of income received for next school year

Income received in advance is any income that has come into a school bank account in the current school year, but relates to the next school year. This can happen in the last term, for example, where book rental money for next year, could be collected before the end of the current school year. This income should not be reflected in the current years' school income and expenditure report but should be deferred and recorded in to the balance sheet to carry it forward to the next school years accounts. At the beginning of the next school year the income is then moved from the balance sheet and reflected correctly in the relevant years income and expenditure report.

##### Review actions:

1. A list should be prepared showing a summary of school income received during this year for the next school year.
2. Has all income received in advance been posted to the correct balance sheet account codes?

### 3.6.3 Summary of grants received for next school year

Any grants received in the current school year that relates to the following school year should be accounted for in the relevant codes 2150-2152 in the balance sheet.

The following grants are received in advance.

Grant	Received in	For the period	Element received in advance	Balance Sheet Code
Book Grant	June	For the next school year	100%	2151
DEIS Grant (Only in DEIS schools)	June (Timing of this may vary)	For the next school year	100%	2152
Non-Pay Grant	July	July/Aug/Sept	1/3	2150
Non-Teaching Pay Grant	July	July/Aug/Sept	1/3	2150
SSSF Grant	July	July/Aug/Sept/Oct	50%	2150

#### Review actions:

1. A list should be prepared showing a summary of grants received in the current school year that are for next school year.
2. Any grants received in the current school year that relates to the following school year should be accounted for in the relevant balance sheet account code/s 2150-2152.

### 3.6.4 List of prepayments

A prepayment is an expense paid in the current year which relates to the next school year. This may include service contracts, insurance premiums paid etc.

#### Review actions:

1. Examine the list of prepayments to ensure they have been allocated to the correct accounting period.
2. Have all prepayments been posted to the correct balance sheet account code?

## 3.7 Gross to Net Payroll Report

- The gross to net report is a detailed report showing the gross pay, the statutory deductions and net pay for all the employees paid during the payroll period.
- A gross to net payroll report covering the period since the last meeting should be reviewed by the finance sub-committee. This should be compared to the list of employees and to the payroll report reviewed at the last meeting. Any changes should be queried.
- The current report should be co-signed by the chairperson of the finance sub-committee and filed with the monthly reports.

- To ensure confidentiality for the employees of the board, non-board members co-opted onto the finance sub-committee should not be shown these reports.
- A list of employees showing their approved gross annual/weekly/monthly/hourly pay should be included with the payroll reports. This will allow for the cross checking of the gross pay for each employee on the gross to net payroll report.

**Review actions:**

1. Identify and verify the number of active employees on the report.
2. Ensure new employees have been added to the payroll.
3. Ensure employees who have ceased employment have been removed from the payroll.
4. Do all employees have a contract of employment?
5. Check that the gross pay agrees with the contract of employment for new employees.
6. Have payments to selection committee members, after school study supervisors, sports coaches, part-time teachers/trainers/tutors/ lecturers/one off lecturers been processed through the payroll?
7. Compare the gross pay for each employee to the previous periods gross pay and obtain explanations for any variances.
8. Ensure any pay increases/decreases have been approved by the board of management.
9. Check that any pay adjustments (increases/decreases) as set out in the Department circulars & FSSU guidelines have been implemented.
10. Check that any payments for sick pay are approved by the board.

### 3.8 Capital Income and Expenditure Account Report

Where the board has undertaken a capital project such as a building project, it is important that the related income and expenditure for this project is separately monitored.

A template to assist with reporting on the capital projects can be found on the FSSU website.

**Review actions:**

1. Review each figure, checking that each figure looks reasonable.
2. Are the board still operating within the income ringfenced to fund this project?
3. Is the project within budget and any unforeseen expenditure highlighted?



Buildings Projects Report					
School Name	Insert name here				
Roll Number	12645J				
Project description	Building project				
Date	31/12/20XX				
Income	COA code		Actual	Budget	Variance
			€	€	€
	3900	Department grants			-
	3901	Fundraising Income			
	3903	Trustees/Patron contribution			-
	3902	Parents Funding			-
		Past Pupils Union contribution			-
	3907	Donations			-
		Restricted /Designated Funds			-
	3904	Other (sports grant, lottery etc.)			-
<b>Total</b>			-	-	-
Expenditure					
	3940	Professional Fees			-
	3940	Building Contractor bills			-
	3940	RCT/VAT payments			-
	1421	Furniture and Fittings			-
	1460	ICT (including wifi)			-
	3940	Insurance			-
	3940	Building Bond			-
	3940	Retention payment			-
	3940	Other			-
<b>Total</b>			0	0	0
<b>Surplus/Deficit</b>			0	0	0

#### 4. STEP 3 - Preparing the summary finance report for the board of management meeting:

The finance sub-committee presents a financial report to the board at each meeting outlining the financial position of the school and a short progress report concerning the funding activities currently engaged in by the school.

**Any new proposal involving the raising of finance and/or expenditure by the school will require the formal approval of the board.**

A summary of the important issues should be compiled for presentation to the board of management. At a minimum, the report should contain:

- Reconciled bank balances on all bank accounts
- Total income and expenditure for the year-to-date and if this is within budget
- Total surplus/deficit in the Income and Expenditure account
- Any large or unusual expenses incurred including any expenditure on additions to the fixed assets
- The balances on the ring-fenced grants, see appendix 2.
- Total income and grants received in advance

- Outstanding invoices and creditors including balances owed to Revenue
- Any issues identified on the gross to net payroll reports that needs to be brought to the attention of the board
- Report on capital project if applicable
- Any other issues the finance sub-committee has identified as part of the detailed review

## **5. STEP 4 - Presenting the summary finance report to the board of management meeting:**

- The Principal or another member of the finance sub-committee should present the summary report at the main board of management meeting.
- The chairperson of the finance sub-committee should address any questions from the board members.
- The report should be formally approved by the board and noted in the minutes of the board meeting.
- All board members should be given a copy of the financial reports at the board meeting.  
[The recommendation financial reports are listed on page 11.](#)
- As the financial reports contain confidential information, it is recommended that they are collected at the end of the meeting.
- One copy of all the financial reports shall be signed by the Principal and the chairperson and filed with the board records and all other copies of the financial reports shredded.
- It is not envisaged that the reports are reviewed in detail by the full board, this will already have been done by the finance subcommittee.

# Appendix 1:

## Finance Sub-Committee Monthly Reporting Checklist

School Name:	
Date of meeting:	

STEP 1: ENSURE THE FSSU RECOMMENDED FINANCIAL REPORTS ARE RECEIVED BY THE FINANCE SUB-COMMITTEE			
		Yes/No/N/A	Comment
<b>List of Reports</b>	Balances on all school bank and cash accounts		
	Banking reconciliation for each account		
	List of payments per bank account		
	List of receipts per bank account		
	Income & Expenditure Account Report		
	Balance Sheet Report		
<b>Supporting documentation</b>	List of creditors/outstanding invoices/accruals		
	Supplier invoices and statements since the last committee meeting		
	List of income/grants received in advance		
	List of prepayments		
	Gross to Net payroll reports since the last committee meeting		
	List of employees showing their approved gross annual/weekly/monthly/hourly pay		
	Capital Income & Expenditure Account Report		
	Bank Statements		
	Credit card statement and supporting documentation approved by the chairperson		
	Nominal/General Ledger Activity Report		
	RCT and VAT returns since the last committee meeting		
	The FSSU Financial Guidelines issued since the last committee meeting		
STEP 2: REVIEW OF FINANCIAL REPORTS			
Financial Report	Review Actions	Yes/No/N/A	Comment
<b>Balance on all school bank accounts</b>	Have the balances on all school bank accounts been presented?		
	Are all bank accounts necessary?		
	Are school bank accounts statements addressed to the secretary of the board at the school address?		

	Check to see if any bank accounts have been open or closed during the period. If yes has the board approved these changes?		
<b>Bank reconciliation report</b>	Has a bank reconciliation report been prepared for all school bank accounts?		
	Check the date on the bank reconciliation report to ensure it is reconciled to the accounting period under review.		
	Ensure that there is no difference on each bank reconciliation statement.		
	Check the closing balance on the bank statement to the closing balance on the bank reconciliation report to ensure they match.		
	Review the un-presented payments for accuracy, checking for <ul style="list-style-type: none"> <li>o Old/stale cheques – cheques more than six months old should be followed up,</li> <li>o Possible duplicated payments entries,</li> <li>o Online payments/EFT should not appear on the list of un-presented payments.</li> </ul>		
	Review the outstanding receipts for accuracy, checking for <ul style="list-style-type: none"> <li>o Possible duplicated receipts entries,</li> <li>o Errors.</li> </ul>		
<b>Payments &amp; receipts listing for each bank account</b>	Go through the list of payments and receipts and look at backup documentation for anything unusual.		
	Look at payments to personal names and ensure there is back up e.g., approved expense claim forms.		
	A sample of invoices should be randomly selected and reviewed by the finance sub-committee to the corresponding purchase order, invoice, delivery docket and payment.		
	Ensure that all spending was approved.		
	Are the payments approved by both the Principal and the other authorised signatory?		
	Where the board is using electronic banking, are there two approvers required for all transactions i.e. the Principal and one other authorised approver/signatory?		
	Has the credit card statement been signed by the chairperson and Principal? <ul style="list-style-type: none"> <li>o Are all transactions backed up by a valid receipt?</li> <li>o Is spending within the agreed limit?</li> </ul>		
	Are petty cash reimbursements within approved limits and agreed to petty cash vouchers?		
<b>Income &amp; Expenditure Report</b>	Has the report been generated from the 01 <sup>st</sup> September (in the current school year) up to the most recent month end?		
	Have the budget figures been included on the report?		
	Does the report show the prior year figures?		

## Section B: Financial Governance for the Finance Sub-Committee

	Review each figure checking that each figure looks reasonable.		
	Look at the difference between what was received/ expended and what was budgeted for the year. If expenditure has exceeded the budgeted figure, this will need to be explained and addressed by cutting expenditure elsewhere or increasing income.		
	Has all grant income due from the Department of Education been received?		
	Have grants which have been received for a specific purpose (i.e., ring fenced grants) been spent only for the purpose intended, as set out in the relevant Department circular? See <b>Appendix 2</b> for a table of ring-fenced grants that should be monitored on an ongoing basis.		
	Have the ringfenced grants been reconciled on an annual basis and any unspent balance identified and accounted for correctly?		
	Review school generated income collected for specific purposes to ensure that it covers the cost for the purpose it was collected. If the costs exceed the income, then the board of management should approve that the deficit is to be met from general school funds. See <b>Appendix 3</b> for examples of this.		
	Ensure the Income & Expenditure report is still in a surplus/ breakeven position. Where the school's income and expenditure account is showing a deficit consistently over a successive number of months and where the board feels that this deficit cannot be resolved by the end of the school year, the trustee/ patron should be informed.		
<b>Balance Sheet Report</b>	Has the report been generated from the start of current school year up to the most recent month end?		
	Does the report show the prior year figures?		
	Check the additional expenditure in the fixed assets. Was this expenditure approved by the board?		
	Check the balances on the bank accounts to the bank reconciliation reports.		
	Has the balance on the purchase ledger account been matched back to the aged supplier report (only applies if the school operates the purchase/supplier ledger)?		
	Review the list of liabilities to ensure they are accurate.		
	Ensure that the balance owed on payroll taxes, VAT and RCT are correct and are being paid on a timely basis.		
	Check that the balance sheet balances.		
	If there is any balance in a suspense account, it should be examined.		
<b>List of creditors/ accruals</b>	Check that the balances on the list matches back to either a supplier statement or unpaid invoice.		
	Are the invoices properly addressed to the school?		

	Have the goods been received, services provided, and work been completed satisfactorily?		
	Have the invoices been approved by the Principal?		
	Have the anticipated costs been approved by the board?		
	Examine the aged list of creditors to ensure that the school are paying their bills on time.		
	The list of accruals/outstanding invoices should be totalled. Check if the school has sufficient funds to pay its liabilities.		
	If the school is currently undertaking any capital works, ensure that you receive a list of the outstanding invoices.		
<b>Summary of income received in advance</b>	A list should be prepared showing a summary of school income received during this year for the next school year.		
	Has all income received in advance been posted to the correct balance sheet account codes?		
<b>Summary of grants received in advance</b>	A list should be prepared showing a summary of grants received in the current school year that are for next school year.		
	Have all grants received in advance been posted to the correct balance sheet account codes?		
<b>List of prepayments</b>	Examine the list of prepayments to ensure they have been allocated to the correct accounting period.		
	Have all prepayments been posted to the correct balance sheet account code?		
<b>Gross to Net payroll report</b>	Identify and verify the number of active employees on the report.		
	Ensure new employees have been added to the payroll.		
	Ensure employees who have ceased employment have been removed from the payroll.		
	Do all employees have a contract of employment?		
	Check that the gross pay agrees with the contract of employment for new employees.		
	Have payments to selection committee members, after school study supervisors, sports coaches, part-time teachers/trainers/tutors/ lecturers/one off lecturers been processed through the payroll?		
	Compare the gross pay for each employee to the previous periods gross pay and obtain explanations for any variances.		
	Ensure any pay increases/decreases have been approved by the board of management.		
	Check that any pay adjustments (increases/decreases) as set out in the Department circulars & FSSU guidelines have been implemented.		
	Check that any payments for sick pay are approved by the board.		
<b>Capital Income &amp; Expenditure Report</b>	Review each figure, checking that each figure looks reasonable		

## Section B: Financial Governance for the Finance Sub-Committee

	Are the board still operating within the income ringfenced to fund this project?		
	Is the project within budget and any unforeseen expenditure highlighted?		
<b>STEP 3 - Preparing the summary finance report to the board of management meeting</b>			
<b>Summary finance report</b>	Has a summary of the important issues been compiled for presentation to the board of management		
<b>STEP 4 - Presenting the summary finance report to the board of management meeting</b>			
<b>Present the summary finance report</b>	The Principal or another member of the finance subcommittee should present the summary report at the main board of management meeting.		
	Has the financial report been formally approved by the board and noted in the minutes of the board meeting?		
	Have all board members been given a copy of the financial reports at the board meeting?		
	Have the reports been collected at the end of the meeting for shredding?		
	Has one copy of all the financial reports been signed by the Principal and the chairperson and filed with the board records?		

## Appendix 2:

### Ring fenced grants

Ring fenced grants are grants that are received for a specific purpose and must be spent in accordance with the Department of Education circulars and guidance. The finance sub-committee should review these grants to ensure they have been spent only on the purpose intended. Any ring-fenced grant with a balance unspent at the end of the financial year must be identified and carried forward to the next accounting period.

When reviewing the Income and Expenditure report the following list can be used to monitor ring fenced grants. The departmental reporting function in the school accounts computer package can also be used to generate reports on specific streams of income and expenditure to identify unspent grants.

Grant code	Grant name	Grant Received €	Expenditure code	Expenditure name	Expenditure Amount €	Surplus/ Deficit €	Comment
3030	Non Teachers Pay Budget		5010 5110 6010 7500	<i>Sanctioned staff only</i> Caretaker salaries Cleaners' salaries Clerical officer salaries Pensioneers payroll			
3150	Book Grant		4730	Book Grant Expenses			
3240	Supervision & Substitution Grant		4150	Supervision & Substitution Expense			
3230	ICT Grant Non Capital		4410	ICT Grant Non Capital Expense			
3294	Bus Escort Grant		4196	Bus Escort Salary Expense			
3296	DEASP School Meals Grant		4912	DSP School Meals Food Costs			



## Appendix 3:

### Review of school generated income

The finance sub-committee should review income collected for specific purposes to ensure that it covers the costs for the purpose it was collected. If the cost exceeds the income, then the board of management should approve that the deficit is met from general/other school funds.

When reviewing the Income and Expenditure report the list below can be used as a guide to assist on monitoring specific school activities. This list is not definitive.

Income Code	Income	Income Amount €	Expenditure Code	Expenditure	Expenditure Amount €	Surplus/ Deficit €	Comment
3310	Transition Year Income		4590	Transition Year Expense			
*If the board allocate the TY Grant to the TY year, then this can be included here as well							
3495	Mock Exam Income		4750	Mock Exam Expense			
3490	After School Study Income		4190	After School Study Expense			
3520	School Musical Income		4720	School Musical Expense			
3530	School Tours Income		4710	School Tour Expense			



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