



FSSU
Financial Support
Services Unit

Board of Management Training
Financial Management
in Voluntary Secondary Schools

Contents

The Board of Management and School Finance	2
The Board of Management, the School Principal and Finance	4
The Board of Management Finance Sub-committee	6
Finance Sub-committee Financial Reports Checklist	9
Recommended Financial Reports for Finance Sub-Committee Meetings and Board of Management Meetings	10
1. Balances on all Bank Accounts	12
2. Bank Reconciliation	13
3. Income and Expenditure Statement	14
4. Balance Sheet	17
5. Accruals Report	18
6. Capital Income and Expenditure accounts	18
Grants Payable to Non-Fee Paying Voluntary Secondary Schools 2020-2021	19
Online Claims System Guidelines	22
Revenue Compliance - RCT, Reverse Charge VAT, PAYE/PRSI	25
Charities Regulator – Compliance	28
Preparation and Submission of Annual Financial Accounts	30
Financial Report to Parents	31

The Board of Management and School Finance

1. The Education Act 1998 sets out a statutory framework for Irish Education at post-primary level. 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 and 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 second level 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. Voluntary secondary schools in the free education sector receive funding towards recurrent expenditure from the Department of Education (DE) by way of per capita grants. Teacher salary costs in all schools are paid directly by the State.
4. Subject to the general supervision of the Patron/Trustees, **the Board of Management is responsible for the financial administration of the school.** School finances and accounting have become a complex matter with schools handling a variety of funds apart from DES grants. Excluding teacher salaries, **an average size school can have an income in excess of €500,000 including voluntary donations from parents, fund-raising, collections for school tours and other activities.**
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.”

Points 6 - 8 below applies to schools whose governance document is the Articles of Management for Catholic Voluntary secondary schools.
6. Through the Articles of Management, the Trustees of Voluntary Catholic schools devolve their powers to the Board of Management which now undertakes the responsibility **for the conduct, management and financial administration of the school, in accordance with the ethos of the Trustees and under their general supervision and control (Article 2).**

7. The Trustees, as owners of the school are ultimately responsible for any debts incurred by the school. For this reason **any expenditure in excess of income must be approved by the Trustees**. Under Article 15, specific obligations in the area financial management are laid down which are binding on Boards of Management:
- a) **Responsibility for all business carried on in connection with or on account of the school; the keeping of proper books of account and the operation of a bank account (15 (a))**
 - b) **Payment of a licence fee to the Trustees (15 (b))**
 - c) ****Ensuring expenditure does not exceed income and preparing a forward budget and financial report for the Trustees (15(c))**
 - d) **Setting up a financial sub-committee (15 (d))**
 - e) **Cheque payments and cheque signatories (15 (e))**
 - f) **Use of the school premises by outside bodies (15 (f))**
 - g) **Adequate and proper insurance (15 (g))**
 - h) ****Trustee approval is required for any extension, improvement or replacement of school buildings (27 (a))**
 - i) **Trustee approval is required for hire purchase, loans etc. above a particular level (27 (b))**

****Article 28 indemnifies the Board and each member against any claim for capital debts or expenditure properly incurred and provided Articles 15 (c) and 27 (a) have been complied with by the Board.****

8. The Board of Management delegates the day to day management of the school to the Principal who is given authority to act on behalf of the Board. The Principal is required **“to 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”.** (Section 23)
9. All financial decisions in relation to the school must be authorised and ratified by the Principal. **No member of the Board of Management in his/her individual capacity may interfere with the financial administration of the school by the Principal.**

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 Trustees.

The Trustees, as owners of the school, are ultimately responsible for any debts incurred by the school. For this reason, any expenditure in excess of income must be approved by the Trustees.

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 Trustees / Patron
- 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 Trustees
- Ensure that the annual school accounts are prepared, audited or compiled and approved
- See that the school is adequately insured
- Obtain advance written approval from the Trustees 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 school
- 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 unless with Trustee approval
- 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 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 Trustee 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 Trustee approval
- Monitoring all grants from the Department of Education
- Ensuring that all payments made to the school are 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
- c) Tenure of office – normally coinciding with the three year term of the Board
- d) Reporting arrangement with the Board and Trustees.

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
- d) Overseeing the school's asset register
- e) Ensuring that recommended school internal controls are put in place and followed
- f) Ensure that the requirements of the Education Act 1998 and of the schools governance document in relation to school finances are met
- g) Complying with financial requirements of Trustees, 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 Trustees
- Ideally, expenditure budgets should not exceed expected income from the Department of Education
- It is advisable to maintain income received from other sources such as Parents' Councils and fund-raising for developmental purposes.

B. Financial Reports to the Board

At each meeting of the Board, the Finance Sub-Committee presents an up-to-date **financial statement** showing receipts and payments summary, actual income and expenditure compared to budget, a bank reconciliation statement 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 at the end of the school year. On receipt, the annual school accounts are presented to the Board for formal ratification and copies sent to the 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 areas:
 - **Payment procedures**
 - **Procedures for the receipt of money**
 - **Purchasing procedures**
 - **Payment of wages**
 - Control of **stock** and **assets**.
2. The Sub-Committee ensures that best practice obtains with regard to **cash transactions** 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 from time to time.
4. The Sub-Committee should review the **financial information systems** within the school to ensure that the Board has adequate information upon which to make decisions and to satisfy itself that the school finances are being managed in such a manner as to meet its obligations to the school community, the Trustees, the Department of Education and other interested parties such as the Revenue Commissioners.
5. The Sub-Committee will have access to all **accounting records** held by the school such as original bank statements, correspondence, invoices, asset register, and wage records.
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 meets on a regular basis as required by the Principal and the Board of Management to enable it to discharge its duties and to contribute to the good management of the school. A formal record of meetings should be retained.

Finance Sub-Committee

Financial Reports Checklist

1. Check that you have received all of the recommended financial reports
2. Review each report and summarise salient points for the BOM. The following is a brief guideline on how this maybe done.

Financial Reports	Actions
Bank Balances	<ul style="list-style-type: none"> • Check to see if bank accounts have been open or closed during the period • If yes have proper procedures been followed? • Are the bank balances within the limit set by the BOM? <p style="text-align: right;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>
Bank Reconciliations	<ul style="list-style-type: none"> • Check the bank reconciliations to ensure there are no differences on the reconciliation report. • Check the date on the bank reconciliation report to ensure it is reconciled to the accounting period under review. <p style="text-align: right;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>
Receipts and Payments / Income & Expenditure	<p>This report should show current periods figures, year to date figures, annual budgeted figures, previous year's figures.</p> <ul style="list-style-type: none"> • Examine this report in detail and check any unusual or large amounts. • Assess that the school is on target to meet its budgetary plan. <p style="text-align: right;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>
Balance Sheet	<p>This report will show the year to date figures and the previous year's figures.</p> <ul style="list-style-type: none"> • Check that the balance sheet balances. • Look for additions to fixed assets, changes in debtors and prepayments, changes to creditors and accruals. • If there is any balance in the suspense account it should be examined. <p style="text-align: right;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>
List of Creditors / Accruals	<ul style="list-style-type: none"> • If the school is running the purchase ledger system examine the list of creditors to ensure that the school are paying their bills on time. • The list of accruals/outstanding invoices should be totalled and 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. <p style="text-align: right;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>
Income received in advance	<ul style="list-style-type: none"> • As it has become common practice in many schools to collect the registration fee/voluntary contribution in advance of the next school year. A list should be prepared showing a summary of advance receipts and it is important that these funds are accounted for separately in the accounts. • The school will on occasion receive grants for summer work schemes etc. in advance of the work being done therefore this income needs to be identified and accounted for separately. <p style="text-align: right;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>
Prepayments	<ul style="list-style-type: none"> • Examine the list of prepayments to ensure that they have been allocated to the correct period. <p style="text-align: right;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>
Capital Income & Expenditure Account	<ul style="list-style-type: none"> • This report should be given when there is a capital project such as an extension. Summer Works Scheme or major refurbishment in progress. • This report should be examined to ensure that the project is running within the budget. <p style="text-align: right;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>

Recommended Financial Reports for Finance Sub-Committee Meetings and 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 Finance Sub-Committee
3. the Board of Management

The reports should be reviewed on a monthly basis as it is critical in these financially challenging times that school finances are timely and accurate.

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 computerised 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 maybe 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 Financial Reports to be reviewed are:

1. **Balances on All School Bank Accounts**
2. **Bank Reconciliation Statement for each Bank Account including cheques and lodgements listings**
3. **Income and Expenditure Account showing actual versus budgeted figures**
4. **Balance Sheet**
5. **List of all creditors / List of accruals / Summary of income received for next school year and prepayments**
6. **Capital Income and Expenditure Account**

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.

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.
- FSSU Accountants are available to train finance sub committees and boards on an individual board basis on this important aspect of financial management. If your board should require such training, please contact your FSSU Accountant.

1. Balances on all Bank Accounts

Post Primary Secondary School Sample Data

List of Bank Balances at 31.08.2020				
A/C	Name	Balance	Date Rec	B Statement Balance
1800	Current Account	5,854.18	31/08/20	7,403.18
1810	Deposit Account	45,000.00	31/08/20	45,000.00
1900	Petty Cash Account	110.00		
1950	Cash Account	0.00		
TOTAL		50,964.18		

2. Bank Reconciliation Statement for each Bank Account

Date: 12/09/2020
Time: 21:28:39

Post Primary School Sample Data
Bank Reconciliation

Page: 1

Bank Ref: 1800	Date To: 31/08/2020
Bank Name: Current Account	Statement Ref: 1800 2017-09-12 01
Currency: Euro	

Balance as per cash book at 31/08/2020: 5,854.18

Add: Unpresented Payments

Tran No	Date	Ref	Details	€
974	31/05/2020	5160	John Brennan	58.26
978	31/05/2020	5170	Fitzpatricks	66.66
1354	13/07/2020	5180	Mary Browne	544.12
1924	28/08/2020	5190	Musgraves	122.50
2150	31/08/2020	5191	Crown Roofing	648.00
2151	31/08/2020	EW	E Whelan	109.46
				<u>1,549.00</u>

Less: Outstanding Receipts

Tran No	Date	Ref	Details	€
				<u>0.00</u>

Reconciled balance : 7,403.18

Balance as per statement : 7,403.18

Difference : 0.00

3. Receipts and Payments Account / Income and Expenditure Account showing Current and Budget figures

Date: 14/09/2020		Post Primary School Sample Data			Page: 1
Time: 09:54:42		<u>BOM Income and Expenditure Account</u>			
From: Month 1, September 2019		To: Month 12, August 2020			
Chart of Accounts: FSSU					
		Period	Budget	Difference	Prior Year
<u>Income</u>					
Department Income					
3010	Capitation	150,000.00	149,000.00	1,000.00	136,500.00
3050	Support Services	123,553.33	123,600.00	(46.67)	110,200.00
3100	Secretarial Grant	22,049.67	21,700.00	349.67	21,700.00
3130	Caretaker Grant	17,733.67	17,500.00	233.67	17,000.00
3150	Book Grant	13,728.00	14,400.00	(672.00)	13,500.00
3170	Special Subjects Grant	741.00	793.00	(52.00)	500.00
3200	Transition Year	8,645.00	8,835.00	(190.00)	8,800.00
3220	Grant for Traveller Students	405.00	402.00	3.00	300.00
3240	Supervision/Substitution	3,534.77	5,307.00	(1,772.23)	6,500.00
3255	DES Exam Income	8,999.00	10,000.00	(1,001.00)	9,500.00
3290	Other DES Grants	0.00	2,674.00	(2,674.00)	0.00
Total Department Income:		349,389.44	354,211.00	(4,821.56)	324,500.00
School Generated Income					
3310	Transition Year	27,853.00	30,000.00	(2,147.00)	26,000.00
3330	Book Rental	15,221.00	14,000.00	1,221.00	14,200.00
3350	Hall Rental	3,280.00	2,500.00	780.00	2,500.00
3390	School Administration Charges	32,094.63	31,000.00	1,094.63	29,800.00
3410	Adult Education Income	9,260.81	11,000.00	(1,739.19)	10,000.00
3420	Canteen Income	4,412.50	4,500.00	(87.50)	4,000.00
3490	Study Income	12,450.50	10,000.00	2,450.50	9,500.00
3495	Mock Exam Income	9,168.00	10,000.00	(832.00)	9,500.00
3500	Games	0.00	500.00	(500.00)	0.00
3510	Bus Income	9,853.77	6,000.00	3,853.77	7,500.00
3530	School Tours	28,413.28	24,000.00	4,413.28	30,000.00
3535	Student Insurance	3,990.75	3,000.00	990.75	2,900.00
3550	Reimbursable Income	11,354.48	10,000.00	1,354.48	10,000.00
3575	Unrestricted School Fundraising (Non Capital)	1,050.67	2,000.00	(949.33)	1,000.00
Total School Generated Income:		168,403.39	158,500.00	9,903.39	156,900.00
Other Income					
3650	Voluntary Subscriptions	16,260.00	20,000.00	(3,740.00)	15,000.00
3700	Income from Parents Association	8,727.12	5,000.00	3,727.12	5,000.00
3800	Bank Interest Received	57.95	40.00	17.95	40.00
3850	Other Income	3,122.91	7,000.00	(3,877.09)	6,890.00
Total Other Income:		28,167.98	32,040.00	(3,872.02)	26,930.00
TOTAL Income:		<u>545,960.81</u>	<u>544,751.00</u>	<u>1,209.81</u>	<u>508,330.00</u>
<u>Expenditure</u>					
Education Salaries					
4110	Substitute Teachers	2,828.86	5,000.00	(2,171.14)	9,800.00
4111	Privately Paid Teachers	4,241.16	3,000.00	1,241.16	3,800.00
4150	Supervisors Salaries	1,461.90	5,307.00	(3,845.10)	2,500.00
4155	State Exam Aides Salaries	8,914.53	10,000.00	(1,085.47)	9,000.00
4170	Adult Education Salaries Expenses	6,631.97	6,000.00	631.97	5,800.00
4190	After School Study	21,371.06	31,000.00	(9,628.94)	21,500.00
4196	Bus Escort Salary Expense	6,663.61	1,500.00	5,163.61	6,916.01
Total Education Salaries:		52,113.09	61,807.00	(9,693.91)	59,316.01

Date: 14/09/2020 Time:
09:54:42

Post Primary School Sample Data
BOM Income and Expenditure Account

Page: 2

From: Month 1, September 2019

To: Month 12, August 2020

Chart of Accounts: FSSU

		<u>Period</u>	<u>Budget</u>	<u>Difference</u>	<u>Prior Year</u>
Expenditure					
Education Other					
4310	Teaching Aids	5,668.22	1,500.00	4,168.22	1,000.00
4330	Religion	980.00	1,000.00	(20.00)	750.55
4350	Art	3,781.78	4,500.00	(718.22)	4,781.99
4360	Art Packs	3,230.00	3,000.00	230.00	2,900.30
4370	Home Economics	1,356.12	2,000.00	(643.88)	1,800.00
4390	Science	5,337.37	4,000.00	1,337.37	4,099.66
4410	Non Capital Computers/ IT Expense	3,089.55	4,000.00	(910.45)	3,870.77
4450	Metal Work/ Engineering	10,625.00	11,000.00	(375.00)	10,500.00
4490	Other Subjects	2,666.80	6,000.00	(3,333.20)	5,500.00
4550	Leaving Cert Applied	938.89	2,000.00	(1,061.11)	500.00
4570	LCVP	5,191.31	5,500.00	(308.69)	5,420.23
4580	Journals	3,348.00	3,500.00	(152.00)	3,265.56
4590	Transition Year	32,471.86	30,000.00	2,471.86	29,800.00
4610	Learning Support	972.28	1,500.00	(527.72)	930.00
4620	Teacher Inservice/Training	1,055.00	2,000.00	(945.00)	1,450.00
4630	Career Guidance	2,000.34	1,500.00	500.34	1,491.00
4640	Library	617.55	1,000.00	(382.45)	500.00
4650	Physical Education	500.00	600.00	(100.00)	450.00
4670	Games (Exclude Travel)	1,756.60	1,000.00	756.60	900.00
4690	Bus Hire	7,980.00	8,000.00	(20.00)	8,000.00
4710	School Tours	23,943.43	24,000.00	(56.57)	23,500.00
4750	Mock Examinations	7,858.95	10,000.00	(2,141.05)	9,850.30
4770	Trophies and Prizes	2,012.43	1,500.00	512.43	1,500.00
4810	Home/School/Liaison	28,359.20	28,000.00	359.20	26,000.00
4910	Other Education Expenses	11,420.86	3,000.00	8,420.86	2,800.00
Total Education Other:		167,161.54	160,100.00	7,061.54	151,560.36
Repairs Maintenance & Establishment					
5010	Caretakers Wages	55,876.46	57,000.00	(1,123.54)	56,900.00
5110	Cleaners Wages	34,334.44	35,000.00	(665.56)	34,500.00
5150	Contract Cleaners	2,315.40	2,500.00	(184.60)	2,450.00
5170	Cleaning Materials	8,804.53	9,000.00	(195.47)	8,900.00
5310	Repairs - Buildings & Grounds	27,309.25	15,000.00	12,309.25	14,500.00
5350	Repairs - Furniture, Fittings, Equipment	15,586.05	15,000.00	586.05	14,500.00
5400	Security	4,160.43	1,800.00	2,360.43	1,750.00
5450	Insurance	14,972.60	15,000.00	(27.40)	14,500.00
5510	Heating	20,218.80	20,000.00	218.80	19,850.63
5520	Refuse/Recycling	2,670.91	1,800.00	870.91	1,750.00
5550	Light and Power	15,245.45	12,000.00	3,245.45	12,000.00
5610	Rent, Rates, Local Charges	2,642.00	3,000.00	(358.00)	3,000.00
5700	Licence Fee Trustees	2,970.00	3,500.00	(530.00)	3,500.00
5800	Other RME	724.21	1,000.00	(275.79)	900.00
Total Repairs Maintenance & Establishment:		207,830.53	191,600.00	16,230.53	189,000.63

Date: 14/09/2020
Time: 09:54:42

Post Primary School Sample Data
BOM Income and Expenditure Account

Page: 3

From: Month 1, September 2019

To: Month 12, August 2020

Chart of Accounts: FSSU

		<u>Period</u>	<u>Budget</u>	<u>Difference</u>	<u>Prior Year</u>
Expenditure					
Administration					
6010	Secretarial Wages	38,420.04	40,000.00	(1,579.96)	38,500.00
6100	Staff Recruitment	341.65	1,500.00	(1,158.35)	1,400.00
6150	Advertising/Public Relations	5,251.04	3,000.00	2,251.04	2,952.00
6210	Postage	2,462.95	2,000.00	462.95	1,980.00
6250	Telephone	6,467.91	5,000.00	1,467.91	4,989.00
6300	Printing/Stationary	8,815.87	8,500.00	315.87	6,998.00
6305	Photocopying Expenses	14,791.56	13,726.00	1,065.56	12,963.00
6350	Office Equipment	848.64	1,000.00	(151.36)	950.00
6400	Accountancy Fee	2,829.00	3,500.00	(671.00)	3,250.00
6450	Other Professional Fees	7,248.60	9,000.00	(1,751.40)	8,400.00
6500	Travel & Subsistence	3,029.27	2,000.00	1,029.27	1,980.00
6600	Principals Expenses	2,490.63	2,000.00	490.63	1,120.00
6650	BOM Expenses	4,325.30	3,000.00	1,325.30	3,360.00
6700	Annual Subscription	5,957.00	5,400.00	557.00	4,792.00
6750	Donations/Charity	500.00	1,000.00	(500.00)	330.00
6755	Medical and 1st Aid	438.52	800.00	(361.48)	698.00
6780	Staff Room Expenses	2,506.18	1,000.00	1,506.18	950.00
6800	Hospitality	1,649.63	1,500.00	149.63	961.00
6860	School Canteen	1,312.50	1,000.00	312.50	1,120.00
6900	Other Admin. Expenses	567.10	1,000.00	(432.90)	600.00
Total Administration:		<u>110,253.39</u>	<u>105,926.00</u>	<u>4,327.39</u>	<u>98,293.00</u>
Financial					
7300	Leasing Expenses	945.85	0.00	945.85	0.00
7450	Bank Charges	590.05	700.00	(109.95)	560.00
7800	Reimbursable Expenses	10,330.00	10,000.00	330.00	9,600.00
Total Financial:		<u>11,865.90</u>	<u>10,700.00</u>	<u>1,165.90</u>	<u>10,160.00</u>
Depreciation					
TOTAL Expenditure:		<u>549,224.45</u>	<u>530,133.00</u>	<u>19,091.45</u>	<u>508,330.00</u>
NET PROFIT/(LOSS)		<u>(3,263.64)</u>	<u>14,618.00</u>	<u>(17,881.64)</u>	<u>0.00</u>

4. Balance Sheet

Date: 12/09/2020
Time: 20:58:46

Post Primary Secondary Sample Data BOM Balance Sheet

Page: 1

Chart of Accounts: FSSU

	<u>Period</u>	<u>Prior Year</u>
	Brought Fwd - Aug 2020	Sep 2015 - Aug 2019
<u>Fixed Assets</u>		
Fixed assets		
1400 Capital: Land & Buildings	633,215.00	620,715.00
1420 Capital: Furniture, Fitt	156,239.00	156,239.00
1430 Capital: Dept: Fixed Fittings & Eq	(39,721.00)	(39,721.00)
1460 Capital: Computer Equip	27,000.00	15,200.00
Total Fixed assets:	<u>776,733.00</u>	<u>752,433.00</u>
TOTAL Fixed Assets:	<u>776,733.00</u>	<u>752,433.00</u>
<u>Current Assets</u>		
Debtors and Prepayments		
1720 Prepayments	8,266.36	5,600.00
Total Debtors and Prepayments:	8,266.36	5,600.00
Current Account		
1800 Current Account	5,854.18	35,854.18
1810 Deposit Account	45,000.00	25,000.00
Total Current Account:	50,854.18	60,854.18
Cash Account		
1900 Petty Cash Account	110.00	90.00
Total Cash Account:	110.00	90.00
TOTAL Current Assets:	<u>59,230.54</u>	<u>66,544.18</u>
<u>Current Liabilities</u>		
Creditors		
Accruals		
2105 School Income Received in Advance	22,200.00	26,500.00
2150 Grants Received in Advance	20,200.00	19,000.00
2250 PAYE/PRSI Control	5,600.00	5,600.00
2260 VAT Control Account	2,700.00	1,350.00
2270 RCT Control Account	4,000.00	2,000.00
Total Accruals:	54,700.00	54,450.00
Current Account		
Cash Account		
TOTAL Current Liabilities:	<u>54,700.00</u>	<u>54,450.00</u>
Current Assets less Current Liabilities:	4530.54	12,094.18
Total Assets less Current Liabilities:	781,263.54	764,527.18
<u>Capital & Reserves</u>		
Retained Profits		
2710 Retained Profits	66,000.00	66,000.00
Total Retained Profits:	66,000.00	66,000.00
Contribution Fixed Assets		
3900 DES Building Grant	435,600.00	435,600.00
3920 DES Equipment Grant	262,927.18	262,927.18
3921 ICT Grant Capital Income	20,000.00	20,000.00
Total Contribution Fixed Assets:	718,527.18	718,527.18
TOTAL Capital & Reserves:	<u>784,527.18</u>	<u>784,527.18</u>
Income And Expenditure Account:	(3,263.64)	
	<u>781,263.54</u>	

5. Accruals Report

Post Primary School Sample Data Accruals	
Telephone	400
Bord Gas	300
Office Supplies	260
Cleaning Materials	150
Computers	2500
Wood works Supplies	2100
Total Due	5710

6. Capital Income and Expenditure Accounts

Post Primary School Sample Data Capital Income and Expenditure Report Capital Programme	
Capital Expenditure:	€
A. C & T Crampton	540,000.00
School Furniture Supply Company	25,000.00
Dell Computers	1,500.00
Total Capital Expenditure	566,500.00
B. Funding to finance Capital Expenditure:	
Department of Education Capital Grants Parents'	700,000.00
Association / Council	20,000.00
Parents' Contributions	–
Fundraising	20,000.00
Other	–
Total Capital Revenue	740,000.00
Surplus/Deficit	173,500.00
Total Capital Expenditure Outstanding	185,000.00

Grants payable to Non-Fee Paying Voluntary Secondary Schools

School year 2020/2021

1. **Standard Capitation Grant: €316** per capita (increased from 1st of September 2020 from €309) less the contribution to teachers' salaries of **€450.40** per each Permanent/CID whole time equivalent (WTE) teacher on the DES payroll (reduced from €562 from the 1st of September 2020).

The grant is paid in three instalments based on current enrolment:

September 2020: €105.33 per capita; January 2021: €105.33 per capita; April 2021: €105.33 per capita.

N.B. Where the school's enrolment increases or decreases, the September and January payments are calculated on 2019/2020 enrolment and the full adjustment for current year enrolment is applied to the April payment.

2. **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 of Education.

3. **Support Services Grant: €223.50** per capita in 2020 and **€224.50** per capita in 2021 payable in three instalments in September, January and April. The minimum grant payable for 2021 is set at **€44,900**.

4. **Grants for Secretaries:**

- a) Basic Secretarial Grant - **€40** per capita. The maximum grant payable for 2021 is set at **€14,000**.
- b) SSSF Secretary Grant - **€26.50** per capita. The minimum grant payable for 2021 is set at **€5,300** and the maximum grant is set at **€9,275**.

(School secretaries employed under the 1978 scheme are paid directly by the DES and therefore any such school is not entitled to the secretarial grants above regardless of its enrolment figure. However, if this secretary resigns/retires the school will be paid a grant based on enrolment figure subject to a maximum of 350).

5. **Grants for Caretakers:**

- a) Basic Caretaker Grant - **€34** per capita. The maximum grant payable for 2021 is set at **€11,900**.
- b) SSSF Caretaker Grant - **€20.50** per capita. The minimum grant payable for 2021 is set at **€4,100** and the maximum grant is set at **€7,175**.

To qualify for the **Basic Secretary or Caretaker Grants** a school must have an enrolment figure of at least 200 pupils. The grant is calculated by multiplying the enrolment figure by the rate per capita up to a maximum of 350 pupils. If a school subsequently falls below the 200 enrolment figure the grant is paid on the enrolment figure x rate.

The **SSSF Caretaker/Secretary Grants** are paid to schools receiving either of the above mainstream grants. A school in receipt of the Secretary Grant will receive the SSSF – Secretary Grant and a school in receipt of the Caretaker Grant will receive the SSSF – Caretaker Grant. Each eligible school will receive a minimum grant based on 200 pupils up to a maximum based on 350 pupils. Schools with enrolments between 200 and 350 will be paid on a pro rata basis.

Schools that have never reached a minimum enrolment figure of 200 pupils, and therefore are not in receipt of the Caretaker or Secretary grants, are still entitled to the SSSF Caretaker (€20.50 per student for 2021) and SSSF Secretary (€26.50 per student for 2020) grants at the minimum grant of 200 x Rate.

6. Tuition Grants

- a) **Transition Year Grant: €95** per student in Transition Year
- b) **Leaving Certificate Applied Grant: €151** per student in LCA
- c) **Junior Certificate Schools Programme: €60** per student in First Year JCSP
- d) **Physics and Chemistry: €13** per student taking Physics and/or Chemistry in 5th and 6th Year.

7. **Book Grant: €24** per student in non-DEIS schools and **€39** per student in DEIS schools.

8. **Grant Special Needs Class:** A grant of **€201 per capita** (increased from €191 from the 1st of September 2020) is payable in respect of students psychologically assessed as having a mild or moderate learning disability **and** who participate in National Council for Special Education (NCSE) approved special classes.

9. **Irish and Bi-Lingual Grants: €108** per student (increased from €103 from the 1st of September 2020) where all subjects are taught through Irish and **€22** per student per subject where a maximum of four subjects are taught through Irish (increased from €21 from the 1st of September 2020).

10. **Grant for Traveller** students is **€213.50** (increased from €201 from the 1st of September 2020) per student.

11. 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.

12. **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 (See Circular 0068/2011)
- Remediation Programmes
- Summer Works Scheme

Application forms for Major Projects (Form SLE) and Additional Accommodation (Form ASA) should be downloaded from the Department of Education website www.education.ie under School Building & Design/Building Works.

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'.

Summary of Grants Payable 2020/2021

No	Grant Description	Rate per Student	Instalments	Payment Due	Notes
1	Capitation Standard Rate	€316	3	Sept/Jan/Apr	€450.40 per PWT/CID deducted from total for school basic salary
2	DEIS Grant DEIS (Delivering Equality Of Opportunity In Schools)		1	Paid in advance in April 2020	Payable only to schools classified as DEIS
3	Support Services Grant	2020: €223.50 2021: €224.50	3	Sept/Jan/Apr	Minimum for 2021 - €44,900
4	Secretary	€40	3	Sept/Jan/Apr	Schools not in 1978 scheme Min. Enrolment - 200 Maximum for 2021 - €14,000
5	Secretary - School Services Support Fund (SSSF)	€26.50	3	Sept/Jan/Apr	Schools not in 1978 Scheme. Minimum for 2021 - €5,300 Maximum for 2021 - €9,275
6	Caretaker	€34	3	Sept/Jan/Apr	Minimum enrolment - 200 Maximum for 2021 - €11,900
7	Caretaker- School Services Support Fund (SSSF)	€20.50	3	Sept/Jan/Apr	Payable to all schools Minimum for 2021 - €4,100 Maximum for 2021 - €7,175
8	Transition Year	€95	1	Jun	
9	Leaving Cert Applied	€151	1	Jun	
10	Junior Cert Schools Programme	€60	1	Jun	1st Year JCSP only
11	Physics and Chemistry	€13	1	Jun	Per student in 5th and 6th Year Physics and/or Chemistry
12	Special Needs Grant for students with mild/moderate learning disability	€201	1	Dec	For students who participate in special class group with sanctioned resource teacher
13	Book Grant Non-DEIS Schools DEIS Schools	€24 €39	1	Jun	Book grant paid in June 2021 is for 2021/2022 school year
14	Traveller Grant	€213.50	1	Dec	
15	Bi-Lingual (all subjects through Irish) or (min 4 subjects through Irish)	€108 or €88	1 1	May	
16	Supervision and Substitution Grant Pre Jan 1, 2011 teachers For teachers joining the scheme after Dec 31, 2010	€1,769 €1,592			

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.

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

PAYE/PRSI

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 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.
- Submission of P45's to 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.

RCT, 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

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 the local Revenue office.

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 with submit this report on behalf of schools)
- 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 CRA has issued a detailed guideline for charity trustees called '**Guidance for Charity Trustees**' which is available on 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 CRA has issued a detailed guideline for charities on '**Internal Financial Control Guidelines For Charities**' which is available on 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 CRA has issued a detailed guideline for charities, '**Guidelines for Charitable Organisations on fundraising from the public**' which is available on www.charitiesregulator.ie

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 is very clear that all voluntary secondary schools are required to submit a copy of their annual school accounts each year to ensure compliance with Section 18 of the Education Act 1998. The annual school accounts should be formally adopted by the Board of Management before submission to the school’s Patron/Trustees.

All voluntary secondary schools who submit their annual accounts to the FSSU will be deemed to be complying with the requirements of Section 18 of the Education Act 1998.

Schools 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.

School Annual Accounts Preparation Stages	Date Deadline
The school supplies all necessary financial information to the external school accountant for the school year ending on the previous August 31 st	September 30th
The draft annual accounts are returned by the external school accountant.	November 30th
Once the school Board of Management is satisfied that the 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> (Note: The Principal as secretary of the board of management, is not a member of the board of management and therefore cannot sign the accounts.)	December 31st or earlier as required by the Trustee/Patron
External school accountants/auditors are required to access a 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 Finance 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		
Income		€
Department of Education and Skills Funding		0
Other State Funding		0
School Income	Parent Voluntary Contributions	0
	Rental School Property	0
	Fundraising	0
	Parents Association	0
	Other Income	0
Total Income		0
Expenditure		
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
Total Expenditure		0
Surplus (Deficit) for the year		0
Capital Projects		
Income	Department Capital Grants Income	
	Other Capital Income	0
Expenditure	Department Capital Grants Expenditure	
	Other Capital Expenditure	0
Less: Expenditure		0
Surplus (Deficit) carried forward for the year		0



FSSU
Financial Support
Services Unit

Emmet House, Dundrum Road, Milltown, Dublin 14. D14 V3K8
T: 01 269 0677 E: info@fssu.ie www.fssu.ie