



Financial Update and School Budget **2021/2022** Webinar

Voluntary Secondary Schools

February 2021



Webinar



Recording



Email



Handouts



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Q&A

Questions

Agenda

- Financial Update
- School Budget 2021/2022



Financial Update



Financial Update

- Accounting for Covid-19 Grants
- RCT & Reverse Charge VAT
- Brexit

Additional Superannuation Contribution (ASC)

- **From 01st January 2019** ASC replaced PRD
- ASC applies to public servants who are in receipt of **pensionable pay** and applies to a person who is;
 - a) Member of a public service pension scheme or
 - b) Receive a payment in lieu of pension or
 - c) Is entitled to an ex-gratia retirement gratuity (annual or lump sum) on retirement
- **Non-pensionable income** such as supervision & substitution, selection committee payments, state examination remuneration paid by the school, payments to teachers for privately paid hours, un-rostered overtime, etc. is **exempt** from ASC.

Payments to members of selection committees

Board of management member

- Not entitled to a professional fee (AOM 6B)
- Not appropriate to claim unvouched or round sum expenses
- May be paid expenses for necessary travel, other than attendance at board meetings

Principal

- Reimbursement of travel expenses tax free provided:
 - Temporarily away from his/her normal place of work &
 - Necessarily incurred in the performance of their duties

Payments to members of selection committees

Other members of selection committee

Individual is an employee

- Payment must go through **payroll**
- Journeys between an employees home and the **school** or **interview location** are **not** business journeys and any reimbursement of motoring expenses in respect of the cost of such journey is **taxable**

Individual is self –employed

Selection committee member must produce a

- 1) Valid **invoice**
- 2) Copy of own business **insurance**
- 3) **Tax clearance** certificate

Failure to provide **any** of the above 3 – payment must go through **payroll**

Government Budget 2021

Universal Social Charge (USC)

- The exemption threshold of €13,000 remains the same. The ceiling of the 2% band will increase from €20,484 to €20,687, so that the salary of a full-time worker on the minimum wage will remain outside the higher rate of USC.

National Minimum Wage

- The Government has approved increasing the national minimum wage by 10 cent per hour, from €10.10 to €10.20 from 1 January 2021.

PRSI

- Employers currently pay 11.05% Class A employer PRSI on weekly earnings over €395. This will increase to €398 from 1 January 2021.

Guideline 15-2020/2021

Government Budget 2021

Remote Working (eWorking)

E-working (also known as home working or remote working) is where you work from home for substantial periods on a full- or part-time basis.

You may be able to claim tax relief on the additional costs of working from home, including electricity, heat and broadband.



Guideline 15-2020/2021

Charities Regulator

Updating Board of Management Members details

- New Board of Management commencing their three-year term of office on the 15th of October 2020
- Schools will/may have had changes to from the Board of Management members

The following are the steps to update Board of Management Member details:

1. Log into the school's account on the Charities Regulator's website
2. Click on "New Filing"
3. Select "Filing Maintain Trustees, Connections and External Advisors"
4. Fill in details of new Board Members
5. Delete the resigned Board Members

Guideline 14-2020/2021

Revised Salary Rates 01 Oct 2020

School secretaries and caretakers

The pay increases apply only to:

- School Secretaries and Caretakers who are currently paid on a **salary scale equivalent to a public service salary scale and**
- directly paid by the school and whose pay is funded from the Schools Services Support Fund Grant, Secretary/SSSF Secretary and Caretaker/SSSF Caretaker grant paid to schools by the Department of Education and Skills.

With effect from **1st October 2020**, annualised salaries to increase by **2%**

Guideline 10-2020/2021

Revised Salary Rates 01 Oct 2020

School Secretaries and Caretakers

School Secretaries and Caretakers who are not currently paid on a salary scale equivalent to a public service salary scale **are not due** a pay increase at this time.

Cleaners

The pay increases apply to cleaners employed by schools whose pay is funded from the School Services Support Fund or Capitation grant paid to schools by the Department of Education.

With effect from **1st October 2020**, annualised salaries to increase by **2%**

Revised Salary Rates 01 Oct 2020

Other privately paid Staff With effect from 1st October 2020

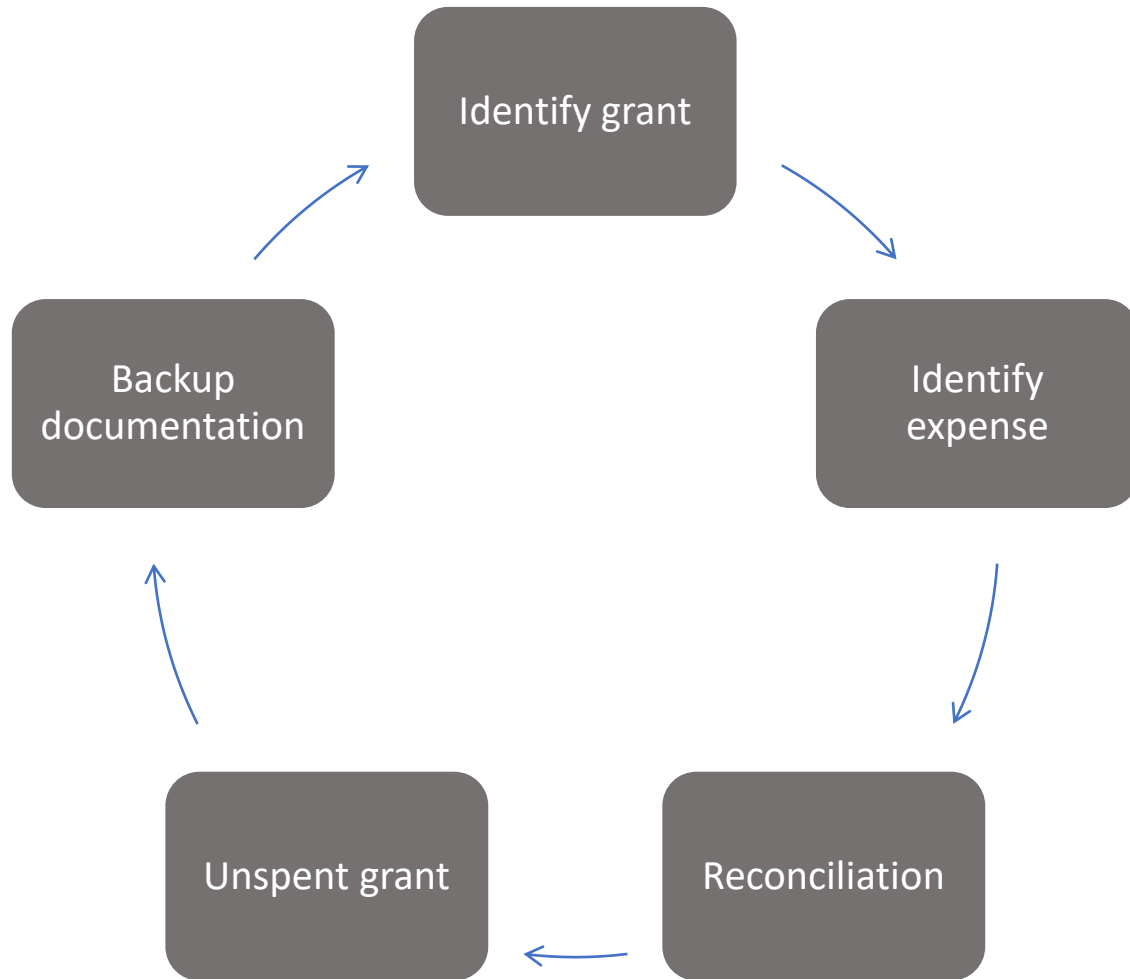
- Salary increases apply to staff who are employed directly in a recognised school.

For example, the salary increases will apply to school transport bus escorts, coaches, canteen personnel and lab technicians.

The following increase is payable:

With effect from **1st October 2020**, annualised salaries to increase by **2%**

Accounting for COVID-19 Grants



Accounting for COVID-19 Grants

DES COVID Grant	FG	Sage 50 Balance sheet Code Unspent	Example of what it can be spent on	Sage 50 Expense Code	Sage 50 Income code
COVID Minor Works	48	2169	Rental of space, reconfiguration, adapting, additional furniture	5316	3277
COVID Aide Grant	48	2181	Temporary, to assist with reopening school	5801	3280
Capitation for PPE, consumables & equip	50	2182	Sanitisers, face coverings, aprons, signage, pedal bins	5802	3281
Enhanced Supervision Grant	52	2183	Enhanced supervision wages cost	5803	3282

Accounting for COVID-19 Grants

DES COVID Grant	FG	Sage 50 Balance sheet Code Unspent	Example of what it can be spent on	Sage 50 Expense Code	Sage 50 Income code
Capitation additional cleaning	48	2184	Additional cleaning hours	5804	3283
		2184	Additional cleaning non wage costs	5805	3283
Replacement Caretaker hours	53	2185	Wages for replacement caretaker (Submit claim at end of two month period)	5011	3284
Replacement Secretary hours		2185	Wages for replacement secretary (submit in arrears)	6011	3285
Replacement Cleaner hours		2185	Wages for replacement cleaner (submit in arrears)	5111	3286
Replacement Bus Escort hours		2185	Wages for replacement bus escort (submit in arrears)	4197	3287

Relevant Contract Tax

Principal Contractor

- *“any board or body established by or under statute ... and funded wholly or mainly out of funds provided by the Oireachtas”.*



Relevant Contract Tax

RCT applies to:

- Construction Projects
- Emergency & Summer Works
- Installation of prefabs
- Repairs to buildings incl. electrical, plumbing
- Maintenance contracts with repair element

Relevant Contract Tax

Is RCT is applicable ?

- installing, altering or repairing:
- security systems
- lighting systems
- heating systems
- air conditioning systems
- soundproofing systems
- ventilation systems
- power supply systems
- drainage systems
- sanitation systems
- water supply systems
- telecommunications systems

Relevant Contract Tax

Is RCT applicable ?



- Maintenance Only Contracts
- Routine Cleaning
- Computers & Hardware
- Professional fees i.e. architect fees etc
- Landscaping except where part of the build
- Fittings e.g. cookers, dishwashers, desk, chairs, fitted carpet & lino other than floor covering stuck down

Relevant Contract Tax

1

- Notify Revenue of all contracts online (**Contract Notification**)

2

- Notify payment online (**Payment Notification**) – Penalties apply where prior notification to the Revenue is not obtained

3

- Provide a copy or details of the Deduction Authorisation to the subcontractor when paying the subcontractor

Reverse Charge VAT



If RCT applies VAT applies



VAT to be accounted for by the Principal Contractor



School must account for VAT at 13.5%

Brexit

Purchasing from the UK

School must register with Revenue for an Economic Operators Registration and Identification number (**EORI**)



Guideline 26-2018/2019

Annual Accounts

- Deadline **28th February 2021**
- Accounts signed by the Chairperson and another member of the board
- External accountant to complete the online submission to the FSSU
- Board of Management Authorisation Letter

Deadline

28th Feb

School Budget

School Budget Preparation 2021/2022



School Budget



School Budget

Key Points:

- Expenditure can not exceed Income
- Reviewed by the finance sub-committee
- Approved by the board of management
- Submit to Trustee/Patron
- On going monitoring of the budget



School Budget



POST-PRIMARY

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Charities Regulator



Fees



Fixed Asset Register



Grants



Interview and Selection Committees



Budget Templates - Voluntary Secondary Schools

In accordance with the Articles of Management schools are required to prepare an annual budget each year and following agreement by the Board of Management to submit it to the school's patron/trustees for approval. In general, this process should be completed by the end of May and the budget entered on the school accounts system. Schools that do not use the Articles of Management as their governing document are advised to prepare an annual budget.

Title

VSS Budget Preparation Information Doc.



VSS Budget Template 2021/2022 – Non DEIS



VSS Budget Template 2021/2022 – DEIS



VSS Budget Template 2021/2022 – PPP



← Back to Budget Templates page

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Thank you for joining the webinar

**If you have any further questions
please telephone or email us**

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