

School Budgeting 2021/2022 Webinar for Primary Schools

Questions & Answers Report

1. **In the budget do we include all pupils with ASD even though we do not have an ASD unit in the budget grant calculation section?**

The enhanced funding is provided for special classes only. Do not include if you do not have a ASD unit as enhance funding will not be part of the calculation.

2. **Do we include pupils with dyslexia and dysgraphia etc under the specific learning disability section of the form?**

Enhanced rates only apply to schools that have NCSE sanctioned ASD classrooms and special schools. The enhanced rates do not apply if you have a pupil with special needs in a mainstream class. If you feel you are entitled to enhanced rate are not receiving them, you should contact the school finance division by email: sdfinfo@education.gov.ie.

3. **Do schools have to pay for license of televisions/copyright for showing items/videos on the internet? If so, what expense category is used?**

If you have a television set, you must pay for a TV licence. The MPLC should also be paid as this can be categorised under Other Education Expenses.

4. **As our school has less than 60 pupils for the foreseeable future, will this affect our grants?**

You will receive funding for up to 60 pupils for some grants such as the Capitation, Ancillary and Book grant. See guideline P12 -20/21 for more information.

5. **If a school has paid an electrician for work completed without getting an RCT calculation, what should they do?**

If the electrical work is general maintenance, then it would NOT fall under the scope of RCT/VAT. Each invoice needs to be judged on its own merit - call us on 01 9104020 if you need to discuss an invoice you are unsure of.

6. **Where can I find information in relation to Mandatory pay rises?**

There is a section on the FSSU website under *Current Guidelines*. On this list you will find exact information under the heading: ***Revised Rates of Pay from April 2018 for Secretaries & Caretakers Secretaries, Caretakers and Cleaners.***

7. **What is the best way for teachers to purchase resources for their classrooms e.g. art and craft supplies? Should this be given a budget and how much of a budget should ASD classes receive?**

It is always an area where overspends can occur. It would be up to the BOM to determine budget limits. Compare what was spent by teachers last year this would give some insight has to how much to budget going forward. Some schools buy supplies centrally and can obtain better prices. However, some teachers source their own supplies within budgets and reclaim amounts spent.

8. Is the budget mandatory?

Budgets are mandatory under the Governance Manual. Boards of management should budget in a way that will enable them to meet commitments. The budget should be incorporated into the monthly reporting system and reviewed against actual income and expenditure on an ongoing basis. Budget reports should be presented to the Board of Management.

9. Can the treasurer upload a payment and the chairperson and another board member approve the payment?

The treasurer must always approve the payment. The school secretary can also have login details to your online banking to submit payments, set up beneficiaries, print statements etc. but a secretary cannot authorise payments.

10. Is there a detailed description / help file available to explain each of the fields within the Budget template?

Yes, we have a Chart of Accounts suggestion file available. Please email primary@fssu.ie.

11. Does the school financial year end on 31st August?

Yes, the accounting year runs from 1st September to 31st August each year.

12. I note that the capitation grant is paid as 70% in January and 30% in June each year. I note the ancillary grant is paid in March each year. The school financial year is to the 31st August. Are the grant payments under these headings received for that school year OR are some grants a payment in advance for the following school year?

The Ancillary Grant and Capitation are accounted for within the year of receipt - as these are not ring-fenced, it is not necessary to categorise these as grants received in advance.

13. If a Minor Works grant is not spent in the current year can it be ring-fenced?

This is a ring-fenced grant. Therefore, this can be carried forward for minor works spending in subsequent years.

14. There are two signatories set up to sign our cheques, but we do not have a business account. I will speak to the board at the next meeting and arrange for this account to be changed to a business account.

Yes, business banking is required to allow double authorisation.

15. Are the different guidelines on the FSSU website?

We email all guidelines to schools as they are issued. However, there is a section on the website under **FSSU Guidelines**.

16. Is this Budget compatible for iMAC computers as our other accounting package was not?

There is less coding and formula in this Budget template - the Budget Template should be compatible with an iMAC.

17. We do not use the FSSU template when doing accounts - we are still doing them manually. Is this acceptable?

Yes, this is fine, once accounts are accurate and complete. The templates are a recommended step up from a manual system and the templates are fully supported by the FSSU.

18. Where do I find the budget template please?

You will find the budget template on our website under the **HELP** tab - **Accounting Templates**.

19. Can we use petty cash? How do we pay people e.g. refs.?

Yes, you can use petty cash but avoid cash transactions if possible. You can also use Efts to pay if possible.

20. Is painting considered for RCT/ VAT or is this categorised under maintenance?

Minor changes such as painting one wall or replacing one door in a building is not considered sufficient to fall under the scope of RCT/VAT. If the painting is substantial with an element of materiality, yes it would fall under the scope of RCT/VAT. Maintenance itself does not fall under RCT/VAT.

21. How much surplus should we keep in the account at any one time? Should we have a certain number of months available in the account at all times? If we have not spent ALL of the money received from grants, should we ensure this is spent in the given year?

There is no specific surplus amount - Boards of management should budget in a way that will enable them to meet commitments. Unspent ring-fenced grants should be spent on what is indicated in the relevant circulars. Unspent amounts will be ring-fenced in the Balance Sheet.

22. Is a painting contract for a school categorised as Maintenance or Construction, having RCT?

It depends on the size of the painting job. The change must be 'material' to be subject to RCT - e.g., painting a front door would not be subject to RCT, but painting the whole school is. There is a judgement call to be made. Please phone FSSU 01 9104020 to discuss further.

23. If you have a deficit for the year but have a surplus from the year before, is it permitted to use this to ensure that we do not have an overall deficit?

Generally, yes but double-check the budget for the year to ensure you are not overspending on a regular basis and to ensure the reserves will not deteriorate over time.

24. Can you carry surpluses over to the following year's budget?

Budgets do not include a surplus brought forward - it is based on estimates and the prior year's income and expenditure amounts.

25. Independent Assessors - do they need to submit all 3 documents: an invoice, insurance cert, tax clearance cert or is one of these sufficient?

It depends on who the independent assessor is - if they are a principal from another school, they should be paid through payroll – same if a retired person. If they are a self-employed person, they will need to provide an invoice, business insurance and a tax clearance cert.

26. Our Diocese provides a form that schools in the Diocese must use for the engagement of Independent Assessors. The reality is that Independent Assessors are not registered as self-employed and do not have business insurance. If we must put them on payroll with 52% deductions, we are not going to get anyone to take on this important task. We are a large DEIS school and interview on several occasions every school year.

The FSSU can only advise on best practise and Revenue has confirmed that people providing once-off services should be put on the payroll when they are not self-employed.

27. Can a caretaker be treated as self-employed?

No, usually the caretaker wages should be paid through payroll even if paid infrequently.

28. Can you give me a schedule of the Department payments to a school? Is that payment schedule consistent from year to year?

You will find the Primary Grant Calendar on our website.

29. When preparing your Budget, are you working from monies coming in from Jan - June for the next year?

You should work from 1st September to 31st August – displaying a full 12 months of accounts.

30. We are a very small rural school. Our accountants take care of wages for our secretary and maintenance staff. Do we need to register for ROS?

If your accountant is acting as an agent on ROS, generally there is no need to register. However, you can also be registered to ensure everything is being kept up to date.

31. The rate of pay for secretaries and caretakers, is this for new employees? What if you have a secretary that is in the school more than 20 years?

Any existing secretary or a new secretary should be on a minimum of €13 since January 2019. Any secretary who is working in the school - all the relevant pay rates should have been applied to this secretary.

32. Roughly how much should we expect to pay to an external accountant, assuming all accounts are maintained on FSSU templates?

As this is a commercial arrangement between the board and the accountant, we cannot provide an estimate here. We advise to shop around and talk to other schools.

33. Use of school credit card: is it reasonable/practical to expect two signatures for a credit card transaction, given there is an authorised limit, plus further controls prior to payment? Can a direct debit be set up for credit card payments?

We advise that the credit card is paid by direct debit. The reasoning is that expenditure is agreed before purchases, and when the credit card bill arrives, it can be reviewed before payment. Payment may be stopped if there is fraudulent activity.

34. Is it acceptable for the Principal to authorise the school Secretary to use the credit card?

Yes, this is acceptable - you could formulate a credit card policy and include who is authorised to use it. There is a sample policy on our website under **Publications**.

35. Each year our budget shows a deficit, which highlights the amount required to run the school by fundraising. Is this allowable?

We would suggest informing your patron about the potential overspend in the budget and get approval from them - this will give them advance notice if you are showing a deficit in your reported accounts.

36. Does a particular grant e.g. ICT have to be spent in an academic year?

No, you do not have to spend the whole grant in a year, but you do have to carry forward the unspent amount and this must be shown in the annual accounts. The ring-fenced grants can only be spent on what they are given for and any unspent amount carried forward.

37. Do I need a specific number of quotes for a job which will be paid for using non-departmental funds?? E.g. insurance awards?

You should contact spu.ie (school procurement unit 01 2035899).

38. What time of the year should a budget be prepared by?

A budget should be ready to be presented to the Board of Management prior to the new academic year. A budget is usually started near the end of the current academic year – preparation starts from now.

39. Are we to get clearance from ROS before allowing a contractor to work in the school? E.g., a painter, electrician etc.?

Yes, you should register all contractors under RCT on ROS before you pay them. Revenue will determine if any deductions are to be made from the payment.

40. Using external accountants for submitting accounts and payroll has added additional expense to our budget. Will there be an allowance for this?

No additional funding is anticipated. Schools are expected to fund this.

41. Regarding credit cards, who should apply for this? The treasurer or principal?

As a credit card is a form of debt, prior approval for the application of a school credit card is required from the board's Patron. The Principal is usually the nominated person that should hold the school credit card and be responsible for it. See Financial Guideline P06 - 2020/2021 on our website.

42. So, the treasurer should have nothing to do with the credit card - is that correct?

The treasurer should approve the credit card transactions and ensure controls are in place for the operation of the credit card.

43. Is there a recommended way to deal with petty cash?

We have a video available on the website to deal with petty cash transactions – please email primary@fssu.ie and we can forward this. Also, avoid petty cash if possible and apply for a credit card if not already in place.

44. Is a deficit in capitation reported to FSSU? Can FSSU report to the DES that capitation for small schools is insufficient and we cannot rely on parents fundraising?

The first step is to advise the patron of potential overspends in the budget and they can take steps to remedy this with the department.

45. Do you insert parent's fundraising in the budget?

Yes, you can, if you think that you will receive some. Any income you expect to receive should be included in the budget. This would be included if you have an estimate of what it will be for the year.

46. Is Parent Association fundraising included in the budget? we cannot rely on this for next year, and we had none this year.

If you expect fundraising, it should be included, if not, do not include in budget.

47. Does the BOM need to do a budget?

Boards of management should budget in such a way to enable them to meet commitments. The budget should be incorporated into the monthly reporting system and reviewed against actual income and expenditure on an ongoing basis. Budget reports should be presented to the Board of Management.

48. Can you clarify the sign off for electronic payments using online banking?

Yes, according to the Governance Manual 2019/2023 it is the chairperson and the treasurer in the first instance, but the chairperson can nominate another board member in their absence i.e. a principal – the treasurer must sign.

49. Is the recommendation that the school has a business account rather than personal account?

Yes, you must have a business account to allow two people to approve. Personal accounts only allow one approver which is not compatible with the Governance Manual for primary school 2019-2023.

50. What are the minimum rates of pay for secretaries, caretakers and cleaners please?

Minimum rates for Secretaries/Caretakers are €13.00 per hour and cleaners €10.20 per hour.

51. Do you have clear advice on the changes to payments for bus escorts? We cannot understand these changes and we want to be clear with the message given to bus escorts.

Yes, when you are paying the bus escort, do not include the 8% holiday pay entitlement with each payment - instead hold off until holidays i.e., Christmas, Easter etc and pay the holiday pay then.

52. Are there any tutorial videos on completing a budget? As a new Principal I have no idea how to start. I will work my way through the sheets but want to get it as right as possible from the outset.

Yes, there are budget videos on our website under the Training section - contact us if you need more information – 01 9104020.

53. The bank told me they will not issue a school with a credit card. What can I do next?

Take a copy of the Governance Manual for Primary Schools 2019-2023 with you. This is the equivalent of Articles and Memorandum that a company normally has. This is a Dept. of Education document and they should allow you a credit card.

54. Could you direct me to the page where it says schools should use a credit card not a debit card?

Governance Manual 19-23 Section 17.7 (b). You will also find a sample credit card policy on our website under *Publications*.

55. Are schools permitted to have savings?

Yes, having reserves/deposits/savings is a good thing.

56. Can the deputy principal approve payments in the absence of the principal? There should be a third approver for when the second person is not available. See section 12.6 of the Governance Manual 19-23.

57. How do you budget for costs like unexpected repairs etc? We are using the monthly recording template but would love if we had a template that showed the reducing balance of each grant/income. Is this available anywhere?

There is a contingency of 5% incorporated into the Budget calculation to allow for unforeseen costs. Budget reports showing Actual v Budget are in the 20/21 Monthly Reporting Template in the Income & Expenditure page.

58. Is there guidance for each grant category e.g., what they can specifically be spent on?

See Guidance P12/2020/2021 - there are links to all circulars where you will find details on their uses.

59. Can you assign some of the caretaker/cleaning wages to the COVID grant?

Yes, you should have received a COVID cleaning grant for additional cleaning hours - this can be spent to cover the additional COVID cleaning hours.

60. In creating a budget for 2021/2022, when is the best time of the year for this - before end of this school year or in September 2021?

We would recommend having started this as soon as possible and have it approved and finalised before the final board meeting of this school year.

61. Do we need to stay registered for VAT even if no renovation work is planned?

Yes, you should remain registered for VAT and complete your VAT returns as zero.

62. In relation to the charities regulatory number, did you say this should go on all fundraising events and school headed paper?

Yes, the CRA number should be displayed on those documents.

63. Should a PTA have a separate bank account and donate to the school on a regular basis when funds are required?

It is not essential for the PTA to have their own bank account. Yes, they should lodge the funds collected regularly to the school bank account.

64. Is there a specific bank that is preferable for schools?

No, you may choose the bank which suits the school.

65. Should the treasurer input the information to the FSSU i.e. each lodgement / expenditure? Or can this be inputted by the school secretary?

It would depend on the resources available to the school, but in our experience, it is mostly the secretary inputting the data and the treasurer reviews the reports.

66. Have you a reporting template for a BOM treasurer to present to the BOM at each meeting?

This template is on our website to download under Current Topics. You will also find training videos on our website but feel free to contact us for support.

67. Can you use a voucher to pay your independent assessor?

Vouchers are only used to pay employees to comply with the Revenue Commissioner's Small Benefit exemption.

68. Do we anticipate that the COVID Cleaning grant will continue? We need to know in order to retain on our extra cleaner in case they look elsewhere for employment.

We know there is money for this year, but we have no information on the 21/22 school year yet. We will let schools know as soon as we do.

69. If our accounts layout is slightly different to the standard accounts template - is this okay? We have same information but different layout?

Yes, you can keep records as you like, but the format of the annual return which is an online form is standard. Your accountant will do this return, so once they are happy to receive the information in the format you have there is no issue.

70. Do schools have to provide financial summaries to parents?

Yes, the 1998 Education Act requires accounts to be made available to parents. This should be a summary – for example, no details of wages should be shown. Accounts can be made available in the school.

71. Why are the Cleaner's wages accounted for under Code 5110 in the Capitation Grant and not in the Ancillary Grant?

The Ancillary grant covers the cost of the secretary and caretaker. The cleaner wages are paid from capitation - see circular 0017/2021.

72. Should the RCN number be shown on the school website?

The school RCN should be on school documents and available on the website.

73. Do you have a draft Credit Card policy that schools can tailor to our circumstances?

Yes, this is available on our website under *Publications*.

74. Do we need a separate Online banking policy, or can the credit card and online banking policy be dealt with in the same policy? Is the template for this on your website too?

You could create an online banking policy similar to the credit card policy available on our website under *Publications*.

75. Do you have any general finance policy and procedures templates that can be tailored to individual schools?

We have resources and templates in relation to financial governance available on our website. The templates are fully supported by the FSSU.