

Financial Guideline 2021/2022 - 15

Voluntary Secondary Schools

Payments to Members of Selection Committees

This guideline supersedes guideline 07-2020/2021 Payments to members of selection committees. There are no changes in the application of this guideline. The claim form has been updated.

Introduction

Practice regarding payments in recognition of service on a selection committee is a matter for each board of management within the guidance issued by Revenue and the Articles of Management (where applicable). The rates paid are at the discretion of the board of management.

The composition of selection committees varies depending on the post to be filled but the selection committee is normally made up of some/all of the following:

- Board of management nominees
- Principal of the school
- Trustee nominees
- External assessor

1. Payments to board of management members

Board of management members by agreement, may be paid expenses for necessary travel, other than attendance at board of management meetings, to carry out school business either as a representative of the board or of the school.

Part 05-01-06 of the Tax and Duty Manual, Tax Treatment of the reimbursement of Expenses of Travel and Subsistence to Office Holders and Employees states the following:

The reimbursement of expenses for travel and subsistence to individuals who work on a voluntary and unpaid basis for the organization whose functions and aims are both altruistic and non-commercial (for example a voluntary secondary school) may be paid tax free provided the expenses of travelling and subsistence:

- a) Merely puts the unpaid individual in a position to carry out his/her work; and

- b) No more than reimburse the individual the expenses actually incurred by him/her and do not exceed what are known as the Civil Service rates for reimbursement of expenses of travelling and subsistence. The Civil Service rates are included in Appendix 1.

Members of boards of management of voluntary secondary schools are not entitled to a professional fee when serving on interview committees for positions in the school in which they are a board member, as they act in a voluntary capacity (AOM 6B).

It is **not** appropriate for board of management members to claim un-vouched or round sum expenses.

2. Payments to the Principal

Where the Principal necessarily incurs expenses of travel (and subsistence relating to that travel) in the performance of the duties of his/her office or employment, the reimbursement of such expenses may, within certain limits, be made tax-free:

- a) the Principal must be temporarily away from his/her normal place of work in the performance of the duties of his/her office or employment;
- b) the travel expenses must be necessarily incurred in the performance of the duties of the office or employment; and
- c) arising from a long-accepted position supported by tax case law, the expenses of subsistence must attach to travelling necessarily incurred in the performance of the duties of the office or employment.

Detailed guidance on the reimbursement of employees' expenses of travel and subsistence can be found [here](#).

3. Payments to other members of the selection committee

Where other members of the selection committee receive a professional fee for their services the following should be confirmed ahead of interviews:

- a) Duties of the external assessor
- b) Where will these duties take place (i.e. the school and the interview location)
- c) The rate payable
- d) Determine the employment status of the selection committee member i.e. are they an employee or self-employed. This should be done with reference to [Revenue's Code of Practice for Determining Employment or Self-Employment Status of Individuals](#). Selection committee members are generally engaged under a contract of service (employee) as opposed to a contract for service (self-employed)

- **Scenario 1:** Where the board has determined the individual is an employee. The payment to the individual must be put through the payroll and all the appropriate statutory deductions are made to the payment. Please note journeys between an employee's home and the school or interview location are not business journeys and any reimbursement of motoring expenses (including taxi fares) in respect of the cost of such journeys is taxable. Payments for journeys carried out between the school and interview location may be made tax free.
- **Scenario 2:** Where the board has determined the individual is self-employed as per [Revenue's Code of Practice for Determining Employment or Self-Employment Status of Individuals](#). The selection committee member must produce a valid invoice, a copy of their own business insurance and a tax clearance certificate. The board should request a Tax Clearance Certificate to ensure that the individual is fully tax compliant. If the individual does not produce a valid invoice, insurance, or tax clearance the payment should be processed through payroll.

It is important to note that the small benefit exemption scheme (tax exempt non-cash benefit/voucher/gift with a value not exceeding €500) should **not** be used to pay members of the selection committee. The scheme applies only to employees of the board. This exemption does not apply to individuals who are not employees of the board. Professional fees should **not** be paid using vouchers.

If the other members of the selection committee carry out their work on a voluntary and unpaid basis, they may be reimbursed travel and subsistence expenses tax free provided the expenses of travelling and subsistence,

- a) Merely puts the unpaid individual in a position to carry out his/her work; and
- b) No more than reimburse the individual the expenses actually incurred by him/her and do not exceed what are known as the Civil Service rates for reimbursement of expenses of travelling and subsistence.

[View current Civil Service rates on the Revenue's website.](#)

4. Records to be maintained by the school

As regards the reimbursement of expenses based on an acceptable flat rate travel allowance without the deduction of tax, the school must retain a record of all the following:

- the name and address of the selection committee member;
- the date of the journey;
- the reason for the journey;
- the kilometers involved;
- the starting point, destination and finishing point of the journey

As regards the reimbursement of actual expenses vouched by receipts, the school must retain such receipts, together with details of the travel and subsistence expenses incurred. The period of retention of records is 6 years after the end of the tax year to which the records refer.

Claims for travel and subsistence allowances should be made through the Principal as Secretary of the board of management on a proper claim form. The board of management should ensure that each claim for expenses is verified by the Principal and by the chairperson where the Principal is the claimant. [Click here for the updated sample claim form](#) which can be used for the recording and claiming of travel and subsistence allowances.

Further information or clarification on any of the issues raised in this Guideline can be obtained from the FSSU.

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Appendix 1

Civil Service Travel Rates effective 1st April 2017

| Motor Travel Rates per Kilometre | | | | |
|---|--------------------|---|---|--|
| Bands | Distance | Engine Capacity up to 1200cc | Engine Capacity 1201cc to 1500cc | Engine Capacity 1501cc and over |
| Band 1 | 0 – 1,500 km | 37.95 cent | 39.86 cent | 44.79 cent |
| Band 2 | 1,501 – 5,500km | 70.00 cent | 73.21 cent | 83.53 cent |
| Band 3 | 5,501 – 25,000km | 27.55 cent | 29.03 cent | 32.21 cent |
| Band 4 | 25,001 km and over | 21.36 cent | 22.23 cent | 25.85 cent |

| Reduced Motor Travel Rates per Kilometre | | |
|---|---|--|
| Engine Capacity up to 1200cc | Engine Capacity 1201cc to 1500cc | Engine Capacity 1501cc and over |
| 16.59 cent | 17.63 cent | 18.97 cent |

Reduced mileage rates are payable for journeys associated with an individual's job but not solely related to the performance of those duties.

Examples include:

- attendance at confined promotion competitions
- attendance at approved courses of education
- attendance at courses or conferences
- return visits home at weekends during periods of temporary transfer.