

Financial Guideline 2021/2022 – 35

Community & Comprehensive Schools and Voluntary Secondary Schools

Guidance to boards of management on the closure of Ulster Bank & KBC

1. Introduction

During 2021, the Ulster Bank and KBC announced that they would commence a phased withdrawal of banking activity and associated services in the Republic of Ireland. This means the board of management will need to close all school bank accounts with Ulster Bank and KBC. The Ulster Bank has announced that all accounts need to be closed before **7th November 2022**. KBC accounts need to be closed by early 2023. It is imperative that switching bank accounts is not left to the last minute and that the board takes action now to open a new bank account and begin the switching process.

2. Guidance on switching bank accounts

Step 1: Pick a new provider

Before the board of management opens the new account, they should think about what the school requires from a new provider. Does the school need access to a physical branch for cash lodgement services or is your banking all done online? Understanding how the school uses the bank account with your current provider can help guide the board in choosing the best option.

Step 2: Contact the new provider

The next step is to contact the provider that best suits the needs of the school. The Principal should arrange a meeting with the bank to set up a new account. Please be aware that there are currently long wait times to get appointments in some banks, so you need to contact the bank as soon as possible. In line with the governance documents of the board, the board must approve the opening of the school bank account with the new provider.

The new provider will supply you with a switching pack in branch or on their website. This will have information on all the business accounts they offer, as well as a step-by-step guide to switching. You should also receive:

- A copy of their terms and conditions
- A guide to their fees, charges and interest rates

Step 3: Opening a new school bank account

As the board is opening a new account, certain documentation will need to be made available to the new provider. It is advisable that you contact the new provider to find out what documentation they will require for opening a new business account. The Principal should have this documentation with them when meeting the new provider. Establish with the new provider who needs to be present at the meeting to open the new bank account, the chairperson of the board may need to attend.

The following is a list of potential documentation that may be required

- Proof of identity and address for all cheque signatories and online approvers
- Proof of identity and address for all internet banking users
- Bank statements from the schools Ulster Bank/KBC account.
- A copy of the book of rules or constitution. For Voluntary Secondary Schools this is a copy of the [Articles of Management](#) and for Community and Comprehensive Schools this is the Deed of Trust and the [School Governance Manual](#).
- Confirmation of the schools Registered Charity number.

All new bank accounts must be set up to ensure that all payments (Cheque and Online payments) require authorisation by two individuals as approved by the board of management.

Once the account has been opened

- Order a cheque book and lodgement book
- Set up online banking
- Set up mobile banking apps for authorised payment approvers.

A school is not allowed a business debit card.

Step 4: Switching

The Principal should pick a **switching date** during the month when the activity on the school bank account is low. Keep in mind the following when picking a switching date:

- Avoid selecting a date on or near when the bulk of the school income for the new school year is being collected from parents.
- Look back through your transaction history and find a date that will give you plenty of lead time. For example, if you don't have any automatic transactions between the second and the 12th of each month, change everything on the second so that your service providers (like your electric company, phone company etc) have time to update your account information before the next payment is due.

It is advisable that the following is done by the accounts secretary/clerical officer.

- Set up electronic transfers between your old account and your new one. This will allow you to move money between the accounts as needed to cover payments, debits and cheques during the transition.
- From the current online system print all direct debits and standing orders. Most online banks will have the option to 'manage direct debits' and 'manage standing order' - these should list out the payee name, payee reference, amount and last requested date/next payment date.
- Print out or export details of supplier's paid by EFT.
- Set up online bill pay for the new bank account.

Tip: Make a list of all the direct debit, standing orders and check them off one by one as you make arrangements to switch the bill payments to the new bank account. Once the new bank account is open begin to move the Direct Debits and Standing Orders – start this process as soon as possible.

- You should amend your payroll instructions for any changes that need to be made
- Check employees on the payroll that are paid into the Ulster Bank.
[Click here for a sample form](#) that can be given to employees to update their bank details.
- You should amend any documentation that includes your old Bank Identification Code (BIC) or International Bank Account Number (IBAN)
- You should refrain from using any cheques on your old account once your switch has commenced
- You should return any unused cheques to your old bank and apply for a refund on stamp duty
- You should return any old cards on your old account to your old bank or have them securely shredded.
- You need to identify payers into the school bank account and notify them of the change in school bank details. For example
 - Notify the Department of Education –
 - Fill out “School Change of Bank Details” form provided by the Department of Education, **see Appendix 1**
 - Post the form together with a covering letter on School’s headed paper or and/or a copy of the statement header for the new account (with any balances or transactions redacted), to the following address:
Central Funds Unit, Schools Division Financial, Department of Education,
Cornamaddy, Athlone, Co. Westmeath, N37 X 659
 - Notify the payment solution provider for parents
 - Notify the Department of Social Protection if the school is in receipt of illness benefit on behalf of an employee

Step 5: Close the Ulster Bank/KBC Account

The final step of switching banks is to close the Ulster Bank/KBC bank account.

Close your old account when you're sure that all pending transactions have cleared, and that automatic payments and direct deposits have begun for the new account.

The Ulster Bank & KBC will have written to the school with instructions on how to close the bank account.

Step 6: Set up a new bank nominal account on the school's accounts package

Community & Comprehensive Schools

[Click here for instruction on how to set up a new bank account on Surf Accounts.](#)

Voluntary Secondary Schools

[Click here for instruction on how to set up a new bank account on Sage Accounts.](#)

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

Tel: 01-269 0677
info@fssu.ie

9th June 2022

Appendix 1

COPY OF COMMUNICATION TO SCHOOLS FROM THE DEPARTMENT OF EDUCATION

Dear Chairperson/Principal

In light of Ulster Bank and KBC's departure from the Irish market in 2022 this Department carried out a review of bank account details held for the purposes of providing grant funding to schools and has identified your school as having an Ulster Bank Account.

As your school is required to close its account with Ulster bank and open a new account elsewhere it will be important to ensure the new bank account details have been provided to the Department before closing the existing account. This is to ensure that grant funding is lodged to the correct account without undue delays.

Therefore, once the new school bank account has been opened you should provide the Department with the details by completing the attached form. Unfortunately, this information cannot be accepted in electronic format and should therefore be posted, together with a covering letter on School's headed paper or and/or a copy of the statement header for the new account (with any balances or transactions redacted), to the following address:

**Central Funds Unit,
Schools Division Financial,
Department of Education,
Cornamaddy,
Athlone,
Co. Westmeath,
N37 X 659**

It may take longer than usual to update Department records due to the increase in the volume of these requests as a result of these bank closures. Consequently, schools setting up a new bank account should allow time for the change of details to be received and completed by the Department. Therefore it is suggested that schools ensure the existing bank account is not closed until grant payments begin to be lodged to the new account.

Please note that the Department will not be able to assist schools with changing bank accounts. However, if further guidance is required the FSSU may be contacted as follows:

FSSU Primary: primary@fssu.ie 01 9104020

FSSU Post Primary: info@fssu.ie 01 2690677

School Change of Bank Details

SCHOOL DETAILS

School Full Name			
Any Alternative Name			
Sector (please tick)	Primary	<input type="checkbox"/>	
	Post Primary	<input type="checkbox"/>	
	Community	<input type="checkbox"/>	
	National School	<input type="checkbox"/>	
School Roll No.			
School Address (incl. Eircode)			
Phone Number			
Email Address (for Remittance Advice slips)			
BANK DETAILS			
Name of Bank			
Bank Branch Name and Address			
Bank Branch Sort Code			
IBAN			
BIC			
Name on Account			