

## Financial Guideline P01 2022/2023

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

#### 1. Introduction

Following on from the recent announcements that Ulster Bank and KBC will be withdrawing from the banking sector in the Republic of Ireland, schools will need to close all school bank accounts with those banks and switch to another provider. Ulster Bank has announced that all accounts need to be closed before **07<sup>th</sup> November 2022**. KBC will contact customers from 1<sup>st</sup> June and accounts need to be closed early 2023.

#### 2. Guidance on switching bank accounts

##### Step 1: Choose a new provider

The Board should consider the services it requires from the new provider i.e. access to a physical branch for cash/cheque lodgement services or is your banking completed online? The board must approve the new provider of the school bank account.

##### Step 2: Contact the new provider

The next step is to contact the new bank to discuss the procedures on opening the new account i.e. is appointment necessary or can this be set up online?

##### Step 3: Opening a new school bank account with new provider

When opening a new account, all normal account opening documentation will apply, such as:

- Proof of identity and address for all signatories and online users
- Bank statements from the schools Ulster Bank/KBC account
- A copy of the book of rules, this is the *School Governance Manual 2019-2023*
- Confirmation of the schools registered charity number.

The account must be set up as **business account** and the name and address **must** be in the registered name and address of the school.

Cheque and online payments must be authorised by two of three nominated signatories of the Board, one being the chairperson and the other the treasurer in the first instance. However, the chairperson may nominate a Board member to act as signatory in his or her absence. The Treasurer **must** approve all payments.

##### Once the account has been opened

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

A school is **not** allowed a business debit card.

#### **Step 4: Switching tips**

- The board should pick a switching date during the month when the transaction activity on the school bank account is low
- 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, fees and cheques during the transition
- Print a list of all direct debit and standing orders currently paid through your account. Contact those suppliers with the new bank account details and set up the new standing orders on your new account
- Print out or export details of supplier's paid by EFT
- Set up online bill pay for the new bank account
- You should amend your payroll instructions for any changes that need to be made and update Revenue (ROS) with your new bank account details
- 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)
- Avoid using any cheques on your old account once your switch has commenced
- You should return any cards and unused cheques to your old bank and apply for a refund on stamp duty
- You need to identify all third parties who pay into the school bank account and notify them of the change in school bank details. For example:
  - Notify the Department of Education –click [here](#) for more details on this
  - Notify the payment solution providers and merchant banks services
  - Notify the Department of Social Protection if the school is in receipt of illness benefit on behalf of an employee
  - Update Revenue (ROS) for any refunds expected e.g. Refunds of PAYE or overpayments.

#### **Step 5: Close the Ulster Bank/KBC Account**

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

Before closing your account, print off all recent activity as you will no longer have access to the account once it is closed. Only close your account when you are sure that all pending transactions have cleared, and automatic payments and direct deposits have begun for the new account.

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

**If you require any further information, please email [primary@fssu.ie](mailto:primary@fssu.ie) or phone  
01 9104 020**

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