

# Financial Training for Principals

March 2024



# Financial Support Services Unit (FSSU)

Advice & Support

Standard National  
Template

Central Repository

Compliance

Audit

Training

# The Principal and school finance



Board of  
management

## Board of management and school finance



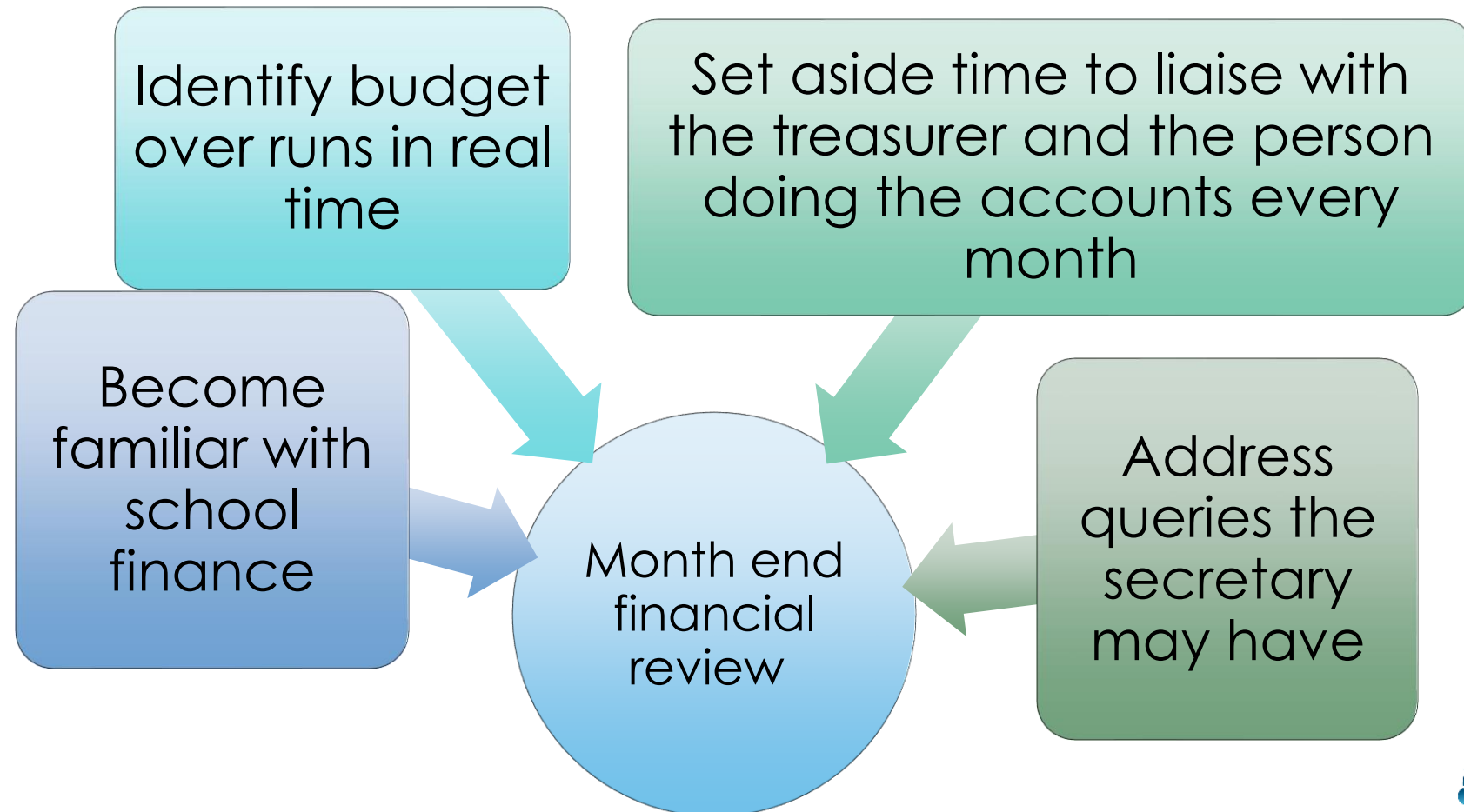
“The board of management delegates the day-to-day management of the school to the Principal who is given authority to act on behalf of the board. The Principal is required “to carry out his/her functions in accordance with such policies as may be determined from time to time by the board and regulations made under the Act”. (Section 23 - Education Act 1998)

# School Principal & Finance



Day to Day financial  
responsibilities

# Month end financial review



# Important Controls to have in place

Payroll

Income

Fixed Asset  
Register

Purchasing

Banking

Reporting to the Board  
of Management

Budgeting

OLCS



# Monthly Financial Reports

List of balances on all school bank accounts

Bank reconciliation statement for all bank accounts

Receipts and payments listings

Income and Expenditure Account showing actual versus budget figures

Income and Expenditure Account showing actual figures versus prior year figures

List of Creditors and Accruals

Prepayments and Advance Income

Payroll reports

Capital Income and Expenditure Account (if relevant)



# Sources of School Income

DE Grants

Other State Bodies e.g. DEASP

School generated income e.g. swimming, buses, Arts and crafts

Other Income e.g. voluntary contributions, fundraising, donations

# DE General Funding

- ▶ Capitation Grant Circular 0038/2020
- ▶ Ancillary Grant Circular 0017/2021

***Capitation funding provided for general running costs and ancillary funding provided for caretaking and secretarial services may be regarded as a common grant from which the Board of Management can allocate according to its own priorities.***

- ▶ Cost of Living Grant Circular 0056/2023

# Ringfenced Grants

ICT Grant

Attendance Campaign Support grant

School Meals Grant

Standardised Testing Grant

School Library Books Capital Grant

Free School Books Grant

Minor Works Grant

DEIS Grant

Bus Escort Grant

Early Start Programmes

Capital Grants

# Parent's Association

- Board's representative should attend all meetings
- This representative should report to the board on the parent's association meetings
- Parents association's bank account must be included in the school's year end accounts
- The FSSU recommends that a board of management member must be a signatory/online approver on the parents' association bank' account
- Bank statements must be in the name and address of the school

# Parents Association and Fundraising

It is good practice to record the agreement reached between the board and the Parents' Association in relation to fundraising, including:

- The purpose for which the funds are being raised,
- The manner by which the funds are to be raised,
- The timeline for the transfer from the Parents' Association bank account to the board of any funds raised, and
- The estimated timeframe for the agreed project
- Give them credit for their support

# CASH



Receipts  
-should be  
given for all  
cash  
received

School Safe  
– Max  
amount for  
insurance  
purposes

All cash  
income  
must be  
lodged  
intact.

Two people  
must  
prepare the  
lodgement

# Income Controls



**Go Cashless with  
Online School Fees  
Payment System**





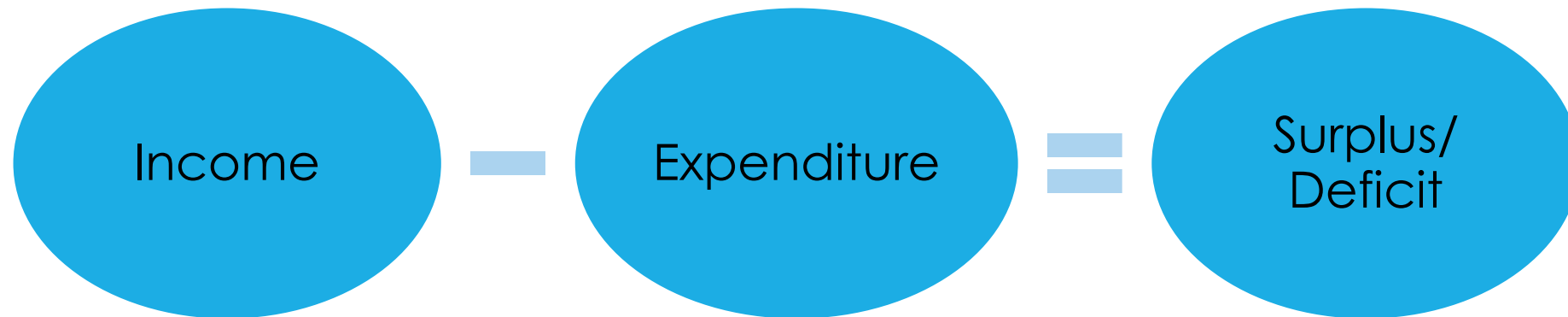
# School Budget



## Key Points

- A Budget is essential to keep income and expenditure on track
- Actual vs Budget report should be reviewed
- Budget for the next school year is prepared & approved by the board by June
- FSSU provide template and training on preparing the budget

# School Income and Expenditure



- Schools cannot budget for a deficit
- If school is running into a deficit situation, the patron should be informed immediately

# Purchasing Controls

## - Banking



- Chairperson and Treasurer must approve payments
  - Chairperson can delegate to another board member.
  - Treasurer **must** approve all payments.
- Board must approve signatories
  - Record this approval in the minutes
  - Banking policy in place
  - Bank Statements in the name address of the board
- Never Sign a Blank Cheque
  - Always view supporting documentation before approving payments
  - Keep number of bank accounts to a minimum
- The board should approve the use of petty Cash
  - Put a petty cash policy in place
  - Never use school income for petty cash

**NB No Debit Card Permitted**

# Purchasing Controls

## -Credit cards



Board of Management and Patron Approval

Recorded in the School Accounts  
No Cash Withdrawals Permitted

Principal is the only person that should  
have a school credit card

Credit card policy in place

Monthly credit card statement should have all  
receipts attached and signed by the Treasurer

# Stock Control and Asset Register

Approval by the board or trustee/patron

Fixed asset register

Adequate insurance

Outside users of school premises

# School Expenditure



Salaries –Caretaker, cleaner privately paid staff



Education - Other



Repairs & Maintenance



Administration



Finance



See COA for further breakdown

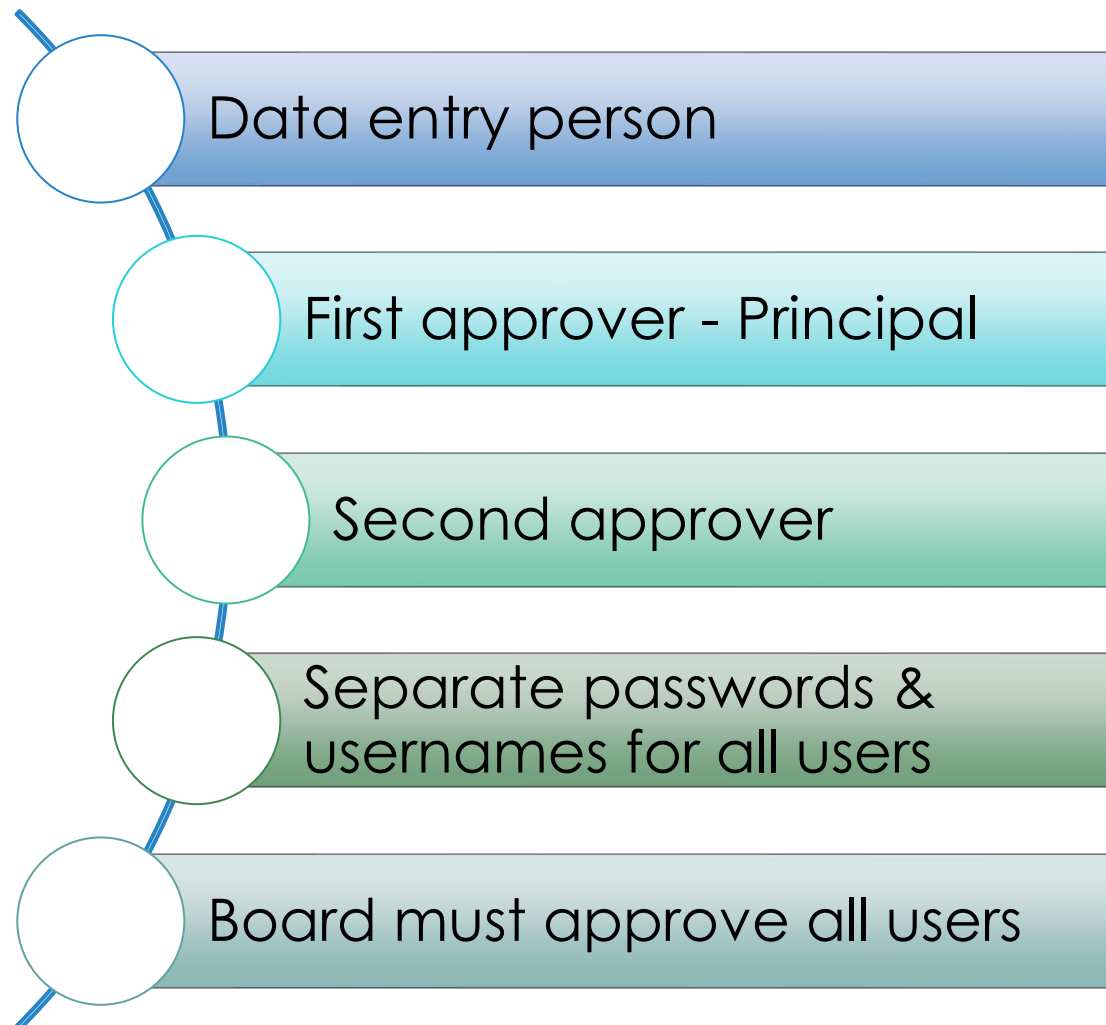
# OLCS



Circular 0024/2013

**To: The Managerial Authorities of Recognised Primary, Secondary, Community, and Comprehensive Schools**

**OPERATIONAL GUIDELINES FOR BOARDS OF MANAGEMENT AND STAFF DESIGNATED TO OPERATE THE ON LINE CLAIMS SYSTEM  
IN  
RECOGNISED PRIMARY AND POST PRIMARY SCHOOLS**



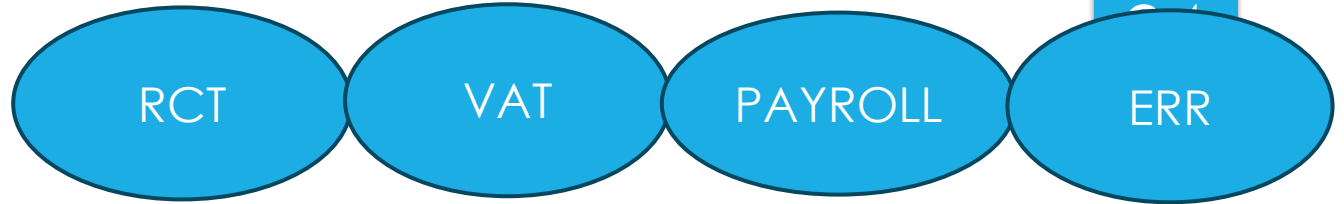


# OLCS



- A report should be read into the minutes of every board of management meeting listing the names of all substitutes and part-time teachers for whom claims have been made on the OLCS system since the last board meeting
- Absence reports from the OLCS must be distributed to all relevant staff once per term. One copy should be approved by the staff member and returned to be filed. The staff member may retain a second copy

# Revenue Requirements



## What is RCT?

Relevant Contracts Tax (RCT) is a withholding tax which the Revenue Commissioners requires Principal Contractors to deduct from payments due to a sub-contractor for construction projects

## Who is the Principal Contractor?

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

## Types of work included in RCT

- Construction projects
- Emergency & Summer Works
- Installation of prefabs
- Repairs to buildings incl. electrical, plumbing

# IF RCT APPLIES – VAT APPLIES

1

**All Schools must be registered for VAT**

2

**VAT @ 13.5% is paid directly to Revenue in your VAT return**

3

**It is called the VAT reverse charge because you put the amount into VAT on sales so that you pay the VAT (*its not allowed to reclaim VAT*)**

4

**VAT is due based on the date of invoice, not the date paid**

5

**Consider outsourcing your RCT and VAT needs**

# School Payroll



- Employees should have a contract
- Review all rates of pay and working hours for current employees
- The Principal must approve payroll before it is processed.
- Any changes to rates in pay must be approved in advance by the board.
- Payroll deductions should be paid to Revenue on time.
  - PAYE, PRSI, USC, LPT,
  - Employers PRSI

# Revenue – Enhanced Reporting Requirements (ERR)

## **What is ERR?**

Enhanced Reporting Requirements (ERR) is a new Revenue reporting requirement which requires employers to report details of certain expenses and benefits to Revenue. This commenced on 1 January 2024.

## **What types of expenses and benefits are reportable?**

- Small benefits exemption
- Travel and subsistence
- Remote working daily allowance

## **Who is responsible for ERR?**

Board of management

## **What is the procedure?**

Before payment is made of above approved expenses/benefit, Revenue must be informed via upload from payroll package or input to ROS.

# FSSU Annual Reporting Requirements



- Copy of the approved accounts to be sent to the patron
- Financial report to Parents
- Accounts signed by the Treasurer and another member of the board

# Charities Regulator Requirements

All schools must be registered  
([www.charitiesregulator.ie](http://www.charitiesregulator.ie))

RCN – on school headed  
paper, website, fundraising  
material

Update board of management  
members details (referred to as  
trustees by the charities  
regulator)

Review annual report –  
deadline 30<sup>th</sup> June

Note: board members and  
Parents Association members  
are volunteers, so include these  
in your volunteer count.





# Questions?



# Thank You

Any questions please email



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