

Schools Photovoltaic Programme (SPP) **(Commonly referred to as solar panels)** *(Document last updated August 2024)*

1. Introduction

The SPP is a devolved programme. This means that school authorities will be provided with funding from the Department to have solar panels installed by a registered contractor, with guidance from the Department.

The SPP will be a phased programme, with the first phase commencing in November 2023.

2. Eligible Works

The funding will cover the provision of 6kW of roof-mounted solar PV - approximately 16 solar panels - and all associated inverters, cabling etc. to connect the panels to the school's main distribution board.

Minor enabling works such as connection modifications to the main electrical distribution board may also be funded.

Connection to the grid will be included, to allow excess generated renewable solar energy to be exported to the grid when schools are closed.

Monitoring software will be provided to each school, along with a flat screen display monitor located in a central school area to allow review of the energy generated each day for staff and students. This information can be used by the school in the teaching and learning environment.

Battery storage and power diverters will not be eligible for funding under this programme.

This will be the first capital delivery programme of its kind to be implemented using the School Hub to maximize two-way engagement between schools and the Department. The Hub platform will provide a simple, clear and efficient application and approvals process for schools applying for the Schools PV Programme.

Schools will be invited to participate in the scheme by email and will be provided with log-in details for the School Hub in the invitation email.

[Click Here](#) for full details on the eligibility of schools and the programme guidance.

3. VAT on the supply and installation of solar panels

From 1 January 2024, the zero rate applies to the supply and installation of solar panels on or adjacent to immovable goods, being recognised schools.

Previously, the reduced rate applied where the solar panels did not exceed two thirds of the total value of the supply.

- For the zero rate to apply, the supply of the solar panels and their installation must be the responsibility of the same business in the same supply (i.e. a supply and install contract)
- The standard rate will apply to the supply of the solar panels if there is no installation contract in place with the supply of the goods. The reduced rate may apply to the installation of the solar panels (subject to the two-thirds rule) if there is a separate installation contract.
- Ancillary equipment to solar panels: the zero rate applies to ancillary equipment supplied and installed with the solar panels as part of the same supply and install contract for the solar panels, such as the wiring, the controller, the combiner box, the batteries, etc.

VAT Return: Where zero rate applies, the board is not required to return VAT to Revenue on the relevant invoices.

Example 1: Company A supplies solar panels. It does not install solar panels. The supply of the solar panels is subject to the standard rate.

Example 2: Company B supplies and installs solar panels on recognised schools. The supply and installation of the solar panels are subject to the zero rate.

Example 3: Company C supplies and installs solar panels on recognized school and subcontracts the installation service to a third party, Company Y. The supply and installation of the solar panels by the Company C is subject to the zero rate. The installation services provided by the subcontractor Company Y to Company C is liable at the reduced rate.

Further guidance can be found in Revenue's Tax and Duty Manual Supply and Installation of solar panels.

4. RCT

It is important that boards are aware of and understand their obligations in relation to Relevant Contract Tax (RCT). The work required to install solar panels (see glossary of terms in Appendix 1) would be within the scope of RCT and therefore the board must submit a contract notification and payment notifications to Revenue. A summary of the actions required are as follows;

- Prior to commencement of works, notify the Revenue of the contract (Contract Notification).
- Notify the Revenue prior to making any payment to the contractor (Payment Notification).
- Obtain a Deduction Authorisation from the Revenue specifying the tax to be deducted from the building contractor.
- Provide the contractor with a copy of the Deduction Authorisation.
- Deduct the applicable amount of tax from payments due to the contractor.
- File RCT returns and pay the deducted amount (if any) to the Revenue.

[Click here](#) to find further information on the operation of Relevant Contract Tax.

5. Accounting Treatment for Solar Panels

The nominal codes to be used to account for the grant received, the expenditure of the grant and any unspent balance are set out below.

A new department in the accounts package should be set up for the Solar Panels.

5.1 When the grant income is received

| Action | DR/CR | Nominal Code | Description |
|-----------------------|-------|--------------|----------------------------------------------------------------------|
| Grant Monies Received | DR | 1800 | Current Account 1 Current Asset |
| | CR | 2171 | Other Ringfenced Grants Unspent Current Liability |

5.2 When the item is purchased

| Action | DR/CR | Nominal Code | Description |
|---------------------------------------------|-------|--------------|----------------------------------------------------------------------------|
| Item Purchased | DR | 3940 | Capital: DE Capital Building Grant Expense Contribution to Fixed Assets |
| | CR | 1800 | Current Account 1 Current Asset |
| Action | DR/CR | Nominal Code | Description |
| Transfer of Grant spent to Capital Reserves | DR | 2171 | Other Ringfenced Grants Unspent Current Liability |
| | CR | 3900 | DE Capital Building Grant Income Contribution to Fixed Assets |

5.3 Accounting for the unspent grant balance

The Solar Panel grant is a ring-fenced grant and the balance unspent at the year-end must be reconciled and accounted for in nominal code 2171 Other Ringfenced Grants Unspent.

Appendix A Extract from Glossary of terms

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| Enabling works | Minor works required to existing school infrastructure to complete installation or connection of the PV system. In general, minor works will be completed by the PV company and will not add significant time or cost to the installation. |
| Infrastructure works | Works required to the existing infrastructure at the school before a PV array can be installed and/or connected |
| Solar PC System | All components, wiring, electrical interfaces making up the operating Solar PV generator. |
| Supporting Infrastructure Works | Works required to the existing infrastructure at the school before a PV array can be installed and/or connected. Supporting infrastructure works are more significant than enabling works and may involve significant time and/or cost to complete. Supporting infrastructure works are not funded under the Schools Photovoltaic Programme. |

Click [here](#) to find the full glossary of terms.