

- The financial administration of the school is under the control of the board of management subject to the general supervision and control of the patron/trustees. The board delegates the day-to-day management of the school to the Principal and he/she is given authority to act on behalf of the board. All financial decisions in relation to the school must be authorised and ratified by the Principal.
- This summary document consists of key financial control areas, which are intended to serve as a guide for new Principals to develop and implement best practice internal financial controls within their schools.
- This list is not an exhaustive list but is meant to highlight the key areas that a new Principal needs to be aware of starting off in their role. For further guidance on internal financial controls please see our [website](#), and the following guides:
 - [Internal Financial Controls Manual for Schools](#)
 - [Financial Governance Manual for the Board of Management and Finance Sub-Committee \(VSS\)](#)
 - [Financial Governance Manual for the Board of Management and Finance Sub-Committee \(C&Cs\)](#)

Key Internal Financial Control Areas

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Governing Documents		
-	Articles of Management for Catholic Secondary Schools	
-	Community and Comprehensive School's Governance Manual	
-	C&C Schools - Deed of Trust	
Month end financial review		
-	The accounts personnel should have the financial reports prepared within 10 days of the month end.	
-	A set time should be kept each month for the Principal and accounts personnel to review the monthly report.	
-	The monthly reports listing can be downloaded here .	
Board of Management		
-	Board should meet every 5/6 weeks.	
-	Finance must always be on the board agenda	
-	All board members should be given a copy of the financial reports at the main board meeting. It is not envisaged that the financial reports are reviewed in detail at the main board meeting by the full board; detailed analysis of the reports is the function of the finance sub-committee. The financial reports to be presented to the board are listed here .	
-	All board members are provided with a copy of the financial reports, and these are collected and shredded after the meeting. One copy is retained with the board minutes.	
Finance sub-committee members		
-	The board must establish a finance sub-committee.	
-	The finance sub-committee must consist of the Principal and two board members. The board can invite non board members with financial expertise to join the sub-committee if required.	
-	The board should formally agree: a) Terms of reference and functions to be performed by the committee. A sample terms of reference is included in the Financial Governance Manual for the Board of Management and Finance Sub-Committee (linked above) under the finance sub-committee section. b) Membership of the committee	

	c) Tenure of office – normally coinciding with the three-year term of the board d) Reporting arrangement with the board and patron.	
-	The finance sub-committee must meet before every board meeting.	
-	The financial reports to be sent in advance to the finance sub-committee are listed here .	
-	The following supporting documentation should be available at the meeting: » List of all creditors/outstanding invoices/accruals » Supplier invoices and statements since the last committee meeting » Summary of income/grants received in advance for the next school year » List of prepayments » Gross to net payroll reports since the last committee meeting » List of employees showing their approved gross annual/weekly/monthly/hourly pay » Capital income and expenditure account report » Bank Statements » Credit card statement and supporting documentation approved by the chairperson » Nominal general ledger/nominal activity report » RCT and VAT returns since the last committee meeting » FSSU Guidelines issued since last committee meeting	
-	The finance sub-committee must review the reports in detail	
-	At each meeting of the board, the finance sub-committee presents the up-to-date financial reports along with a summary report of important issues such as a receipts and payments summary and the funding activities currently engaged in by the school. Following consideration, the financial report should be formally approved by the board.	
-	A formal record of meetings should be retained.	
-	The finance sub-committee should draw up the annual budget of the school for ratification and adoption by the board of management.	
Annual Accounts		
-	Ensure that the annual accounts are prepared for the external accountant on a timely basis	
-	2 signatures on the final accounts- must be 2 members of the board, the chairperson and another member	
-	Final accounts submission to be made to the FSSU by 28th Feb each year	
-	A copy of the approved annual accounts should be forwarded to the trustees/patron yearly.	
-	The school's external accountant/auditors should be invited to present the annual accounts to the board of management.	
-	A financial report should be provided to parents of students in the school. This should be prepared by the external accountant as part of the preparation of annual accounts.	
Charity Regulation Authority (CRA)		
-	The registered Charity Number of the school should appear on the headed paper, website and any fundraising material of the school and the parents' association.	
-	The board must ensure that board member details are correct on the CRA account. Any changes should be made promptly.	
-	The board must ensure that the annual return information is verified by the authorised filer by the 30 th June each year on the CRA account. Any amendment necessary should be made and the FSSU informed of any amendments.	
-	The school should maintain a register of volunteers.	
Fundraising		
-	Any fundraising activities should be approved in advance by the board.	
-	The board should carry out any fundraising activity in accordance with fundraising guidance issued by the CRA.	
School Budget		
-	Request a copy of the current year budget	
-	The budget should be prepared and approved by the board by the end of May/June before the start of the new school year.	
-	Monitor spend against the budget on a monthly basis	
-	The annual budget should be forwarded to the trustees (VSS) / Department of Education (C&Cs)	

Expenditure		
-	A purchase order system should be in place. A triplicate purchase order book containing the schools headed paper information should be used. Each form is prenumbered.	
-	The Principal should sign off on all purchase orders.	
-	All large amounts must be approved by the board	
-	The school obtains 3 quotes for purchases and goes to e-tender for purchases over €50,000	
-	SPU can support or answer queries on procurement/tendering	
-	Tax Clearance Certificates should be requested from suppliers who exceed €10,000 a year in payments.	
Stock Control		
-	A stock count of consumables should be carried out at least once a year.	
-	Stock levels should be reviewed by the Principal prior to new orders being placed.	
Bank Accounts		
-	Consider reducing the number of bank accounts to the minimum accounts necessary. All accounting systems can separately identify various categories of income and expenditure.	
-	Bank statements must be in the name of the board of management.	
-	Bank Statements should be printed, filed and stored in a secure location.	
-	The board should introduce electronic banking.	
-	The board must approve and implement an electronic banking policy.	
Payments		
-	There should be two cheque signatories/online payment approvers for all school accounts – the Principal and one other person approved by the board of management.	
-	The board should start using online banking for all payments if not done already. This is more cost effective and efficient for the school.	
-	The person entering the payments onto the system (i.e. accounts secretary/clerical officer) should not be one of the authorised approvers of payments.	
-	The board must approve the authorised approvers and update the bank mandate	
-	When payments are presented for approval, they must be accompanied by supporting invoices or other documentation and initialled by the cheque signatories/online approvers as evidence of approval	
-	Both cheque signatories/online payments approvers must satisfy themselves independently that the payment is properly due.	
-	Under no circumstances should a blank cheque be signed by a signatory	
	No post-dated cheques, unsigned cheques or partly completed cheques should be used or stored.	
-	No debit card allowed	
Credit card		
-	The board of management and trustees (VSS)/Department of Education (C&C) must approve the use of a credit card by the school	
-	The Principal is the only person that should have a school credit card	
-	A credit card policy should be developed and adopted by the board of management. The policy should set out the limit, principles, terms and conditions and procedures governing the issue, use, administration and retention of the school credit card.	
-	Credit card statements must be signed off by the Principal and chairperson each month. Supporting documentation must be attached to the statement.	
Petty Cash		
-	One person should be responsible for petty cash	
-	The petty cash float should be set by the board of management for example €200.	
-	The petty cash expenditure limit should be set by the board of management for example at €50 maximum for each transaction.	
-	Petty cash docket/voucher should be recorded and signed for each petty cash transaction by the person making the claim/receiving the cash and the person responsible for the petty cash.	

-	All petty cash transactions must be recorded in a petty cash book which is balanced off at the end of each month and signed by the Principal.	
-	The school should draw a petty cash cheque to replenish the petty cash funds when needed.	
-	All cash receipts should be lodged intact to the school's main bank account	
Income		
-	An income solutions system should be introduced to facilitate the handling of payments from parents to schools electronically.	
-	A receipt must be issued to the individual and must be signed by the person accepting the cash and paying by cash.	
-	The teacher must issue a receipt to anyone from whom money is collected more than €10.00.	
-	The teacher should hand over any money received daily together with the supporting documentation. Before the money is given to the school office it should be fully counted and all coin bagged and ready for lodging	
-	The money should be counted by the teacher and the accounts person together and a pre-numbered receipt issued to the teacher by the secretary.	
-	A school safe must be in place to keep cash safe.	
-	Two people must prepare the lodgement.	
-	Where possible two people must take the lodgement to the bank.	
-	All cash income must be lodged intact.	
-	The board of management needs to be aware of the maximum cash amount that can be held on the school premises for insurance purposes (VSS only).	
-	The insurance company must be made aware if a large amount of cash will be on the premises. (VSS only).	
-	For C&C schools: State Indemnity (SI) does not extend to cover loss/theft of cash from a safe on C&C Schools premises except in some cases where the cash belongs to a third party and the loss was due to negligence, therefore it is recommended that cash held on site be kept to a minimum and monies are lodged as soon as possible.	
OLCS guidelines		
-	The Principal should be the approver of the claims submitted.	
-	A second approver should be set up on the system in order to approve claims where the Principal is on the claim.	
-	The inputter is usually the secretary/clerical officer and must have their own username and password.	
-	Passwords and usernames for the inputter and approvers must be kept securely by the user and never shared.	
-	The board should formally approve the roles of personnel involved in the OLCS and include this in board minutes.	
-	The board should be provided with a copy of Circular 24/2013 Operation Guidelines for boards & staff designated to Online Claims System in Recognised Primary & Post Primary Schools.	
-	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	
-	In accordance with DES Circular 24/2013, 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	
-	Backup documentation should be retained securely by the Principal.	
Ring fenced grants		
-	Any unspent COVID-19 PPE, cleaning or supervision capitation funds from prior years must be returned to the DE where applicable.	
-	The School Meals grant must be spent in accordance with DSP guidelines and a reconciliation completed annually and returned to the DSP. A separate bank account must be maintained where the grant is €10,000 or more per annum.	
-	The Bus Escort grant should be reconciled annually, and this return sent to the DE	
-	There must be a contract in place for Bus Escort employees.	

-	The correct rate of pay must be in place for the Bus Escort as per DE Circulars.	
-	ICT Grant must be spent in accordance with the ICT Circulars	
-	All capital grants must be spent for the purpose given	
Free Schoolbook Scheme Grant		
-	Free schoolbook grant can only be spent according to the guidance from the DE.	
-	Parents should not be asked to contribute towards books, copybooks or workbooks.	
-	The administration grant payment to an individual must be processed through payroll.	
-	The grant must be reconciled at the end of the year.	
-	There must be a plan in place for spending the unspent balances.	
-	As a ringfenced grant, any unspent grant at the year-end should be notified to the external accountant and included in the balance sheet of the annual accounts.	
S&S scheme		
-	The S&S grant is received by a school where a teacher has opted out of supervision and substitution scheme, an amount equivalent to the supervision and substitution allowance has been allocated to the teacher's school for the provision of supervision and substitution duties and can only be spent for this purpose.	
-	All S&S payments should be processed through payroll.	
-	Rates of S&S paid should be in line with the latest circulars.	
-	Full time teachers or those who have opted out should not be paid from the S&S grant.	
-	The S&S grant must be reconciled annually.	
-	Any unspent S&S grant must be accounted for on the balance sheet.	
RCT/VAT		
-	The board must be registered for VAT and RCT.	
-	All invoices for repairs and construction should be processed through RCT/VAT through Revenue OR All invoices for repairs and construction should be forwarded to the external accountant for processing through RCT/VAT.	
-	Capital works must be processed through VAT and RCT.	
School tours		
-	A school tour policy should be in place.	
-	All school tours are to be approved in advance by the board.	
-	Travel and accommodation for school tours outside the island of Ireland must be booked through a bonded travel agent.	
-	All payments for the tour outside the island of Ireland are to be paid directly to the travel agent by the parent/student and not collected by the school	
-	At least 2 teachers should be involved in the organisation of the tour.	
-	The teacher responsible for the tour must prepare a report including a financial report on the school tour and present it to the Principal within 2 weeks of returning from the tour.	
Payroll		
-	Review register of employees and ensure all employees have an employment contract – any HR queries refer to your management body	
-	Review all rates of pay and working hours for current employees	
-	The Principal must approve payroll before it is processed.	
-	All supervisors must be paid through the payroll of the school.	
-	Canteen employees must be paid through the school payroll.	
-	Payment to teachers for the correction of mock exams must be processed through the school payroll.	
-	Any changes to rates in pay must be approved in advance by the board of management.	
-	(C&C Only) All department sanctioned staff upon recruitment must be enrolled in the appropriate pension scheme, and the appropriate procedures regarding administration of the pension schemes are followed.	

-	All payments for small gift benefit (vouchers) must be reported on ROS under enhanced reporting requirements (see further information here)	-
<u>Loans & Leases</u>		
-	Relevant approval should be obtained from the patron/trustee and board before entering any borrowing arrangements (including lease purchase, hire purchase or similar arrangements).	
<u>Parents association</u>		
-	The Principal/Deputy Principal should attend parents' association meetings.	
-	The Principal should report to the board on the parents' association meetings.	
-	Where the parents' association has a bank account, the Principal should be a signatory/online approver for all payments.	
-	The bank statements for the parents' association must be in the name of the school and addressed to the school address.	
-	A summary of transactions of the parents' association should be presented to the board at the end of each school year.	
-	The accounts of the parents' association should be included in the school's final accounts.	
-	Any fundraising activities should be approved in advance by the board.	
-	The level of funds retained in the parents' association bank account should be enough only to meet its on-going day to day costs and activities as approved by its members and by the board. Where fundraising takes place, the proceeds may be lodged in the association's bank account initially but should be transferred to the main school bank account as soon as practicable.	
<u>Fixed assets</u>		
-	A fixed asset register should be maintained to safeguard the fixed assets of the school and ensure accountability for all such assets.	
-	The board must approve the purchase of fixed assets.	
-	The patron/trustee must be informed in advance of any modification to the building or grounds.	
-	The board should satisfy itself that adequate insurance is in place.	
<u>External users of the school premises</u>		
-	External users of the school must be approved by the board.	
-	External users of the school must complete the use of school premises form.	
-	A copy of insurance of such users must be obtained annually.	
<u>Bus Hire</u>		
-	A bus hire form should be completed for all bookings. This form should be prenumbered and matched to the invoice received for the cost of bus hire.	
<u>Travel and Subsistence</u>		
-	The board should approve a travel and subsistence policy.	
-	A Revenue approved claim form should be used.	
-	Rates used should not exceed civil service mileages rates.	
-	The chairperson must approve the claims of the Principal.	
-	The Principal must approve all claims from school staff.	
-	Where selection committee members are in receipt of a fee, any subsistence or travel expenses for journeys to/from home should be taxed through payroll. This is because in this instance the selection committee's place of work is the place of interview and Revenue do not allow payment for journeys to/from home to be made tax free. This does not apply where a fee is not paid.	
-	All tax free payments to employees and board members for T&S must be reported on ROS under Enhanced Reporting Requirements (ERR) (see further information here)	