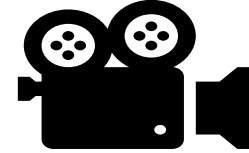


Financial Training for Newly Appointed Principals

October 2025

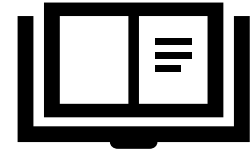
Webinar



Recording



Email



Materials



www.fssu.ie

Q&A

Questions

primary@fssu.ie

Technical Support

Agenda

Introduction to the FSSU

The board of management, treasurer and Principal school finances

Internal Controls

Financial Support Services Unit (FSSU)



The FSSU was set up under DE Circular M36/05

Further Circulars 60/2017 & 02/2018 issued to include the primary and Community & Comprehensive sectors

The FSSU is primarily a support mechanism for C&C, primary and voluntary secondary schools

Financial Support Services Unit (FSSU)

Advice & Support

Standard National
Template

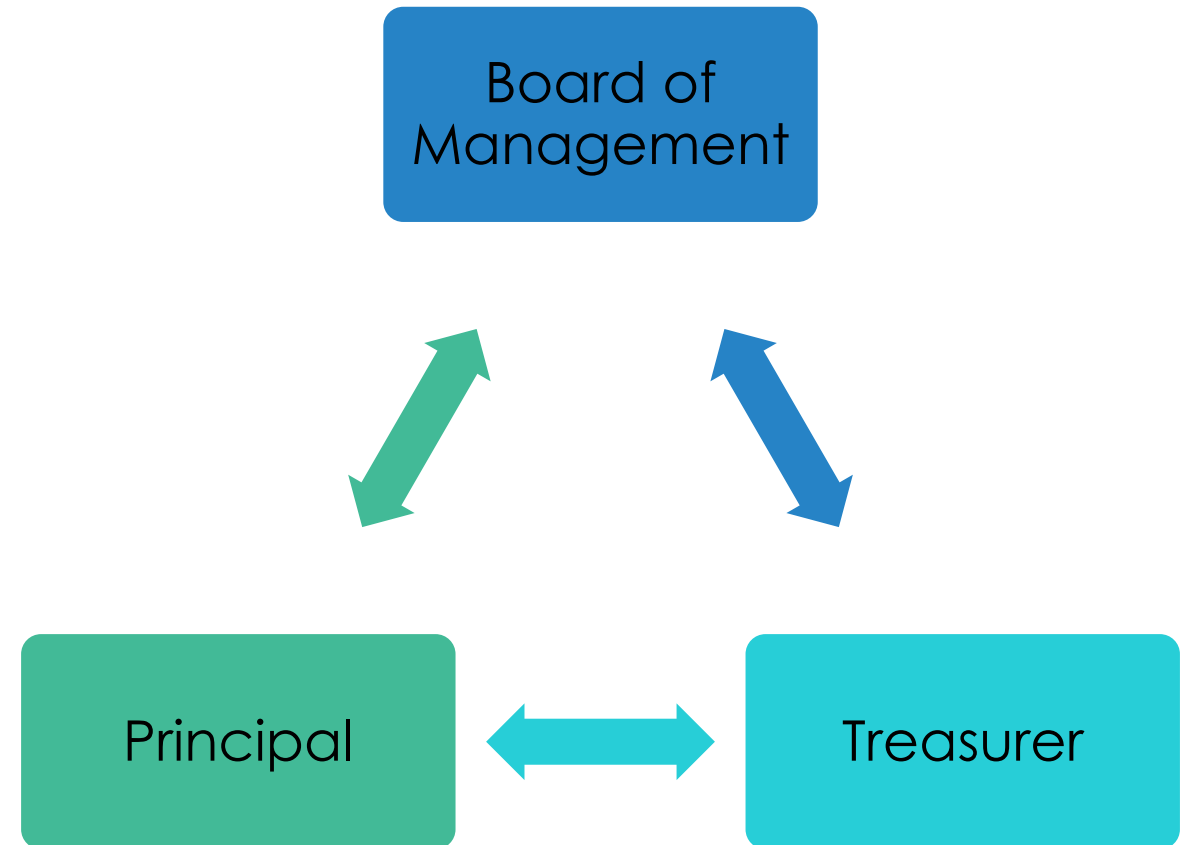
Central Repository

Compliance

Audit

Training

Board of management and school finances

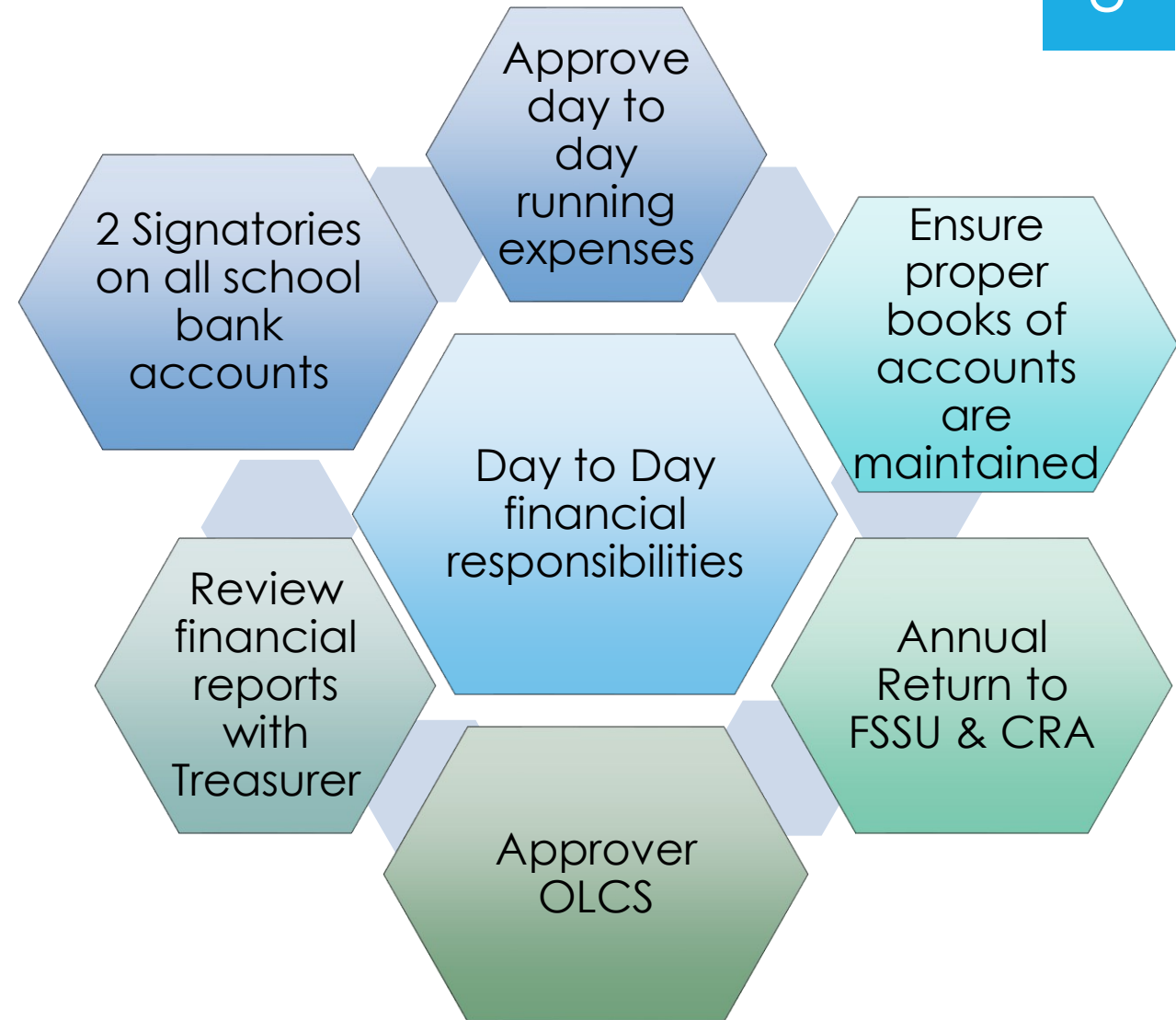


Board of management and school finance



“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



Internal Controls to have in place

Reporting to the Board of Management

Income

Budgeting

Purchasing

Banking

Payroll

Fixed Asset Register

OLCS

Revenue Commissioners

Annual Reporting

Internal Controls - Reporting to the Board of Management



List of balances on all school bank accounts

Bank reconciliation statement for all bank accounts

Income and Expenditure Account versus
Budget Report

Balance Sheet (if available)

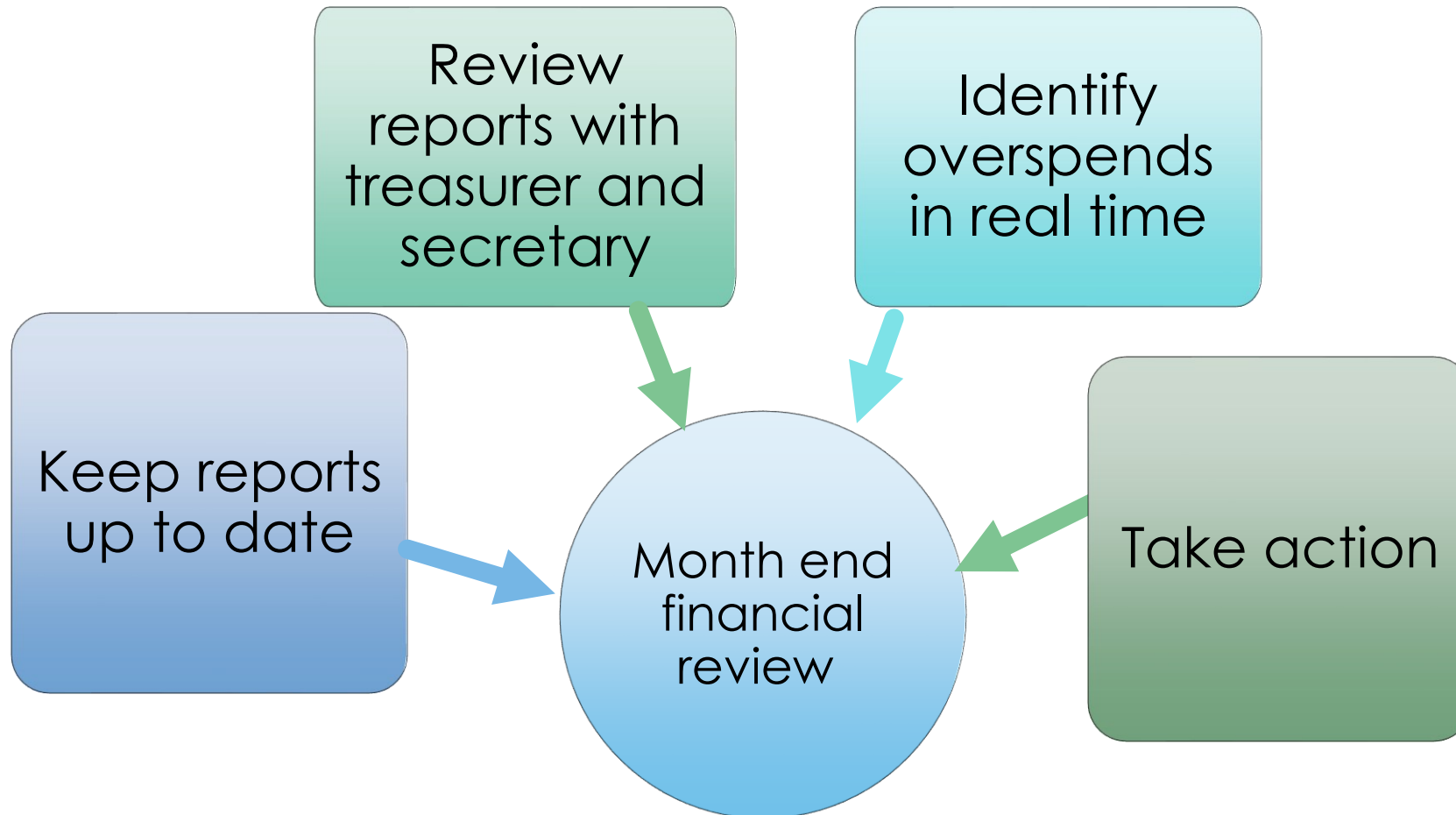
List of Creditors and Accruals

Prepayments and Income received in advance

Capital Income and Expenditure Account (if
applicable)

Internal Controls

Month end financial review



Internal Controls - Sources of School Income

Department of Education & Youth Grants

Other State Bodies e.g. DSP

School generated income e.g. swimming, buses, arts and crafts etc

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

DEY General Funding

- ▶ Capitation Grant Circular 0040/2025
- ▶ 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.

Ringfenced Grants

ICT Grant

STEM and Arts Grant

School Meals Grant

Standardised Testing Grant

Special Class Grants

Free Schoolbooks Grant

Minor Works Grant

DEIS Grant

Bus Escort Grant

Early Start Programmes

Capital Grants

School Generated Income Controls



Go Cashless

Online Cash Collection System



Internal Controls Parent's Association



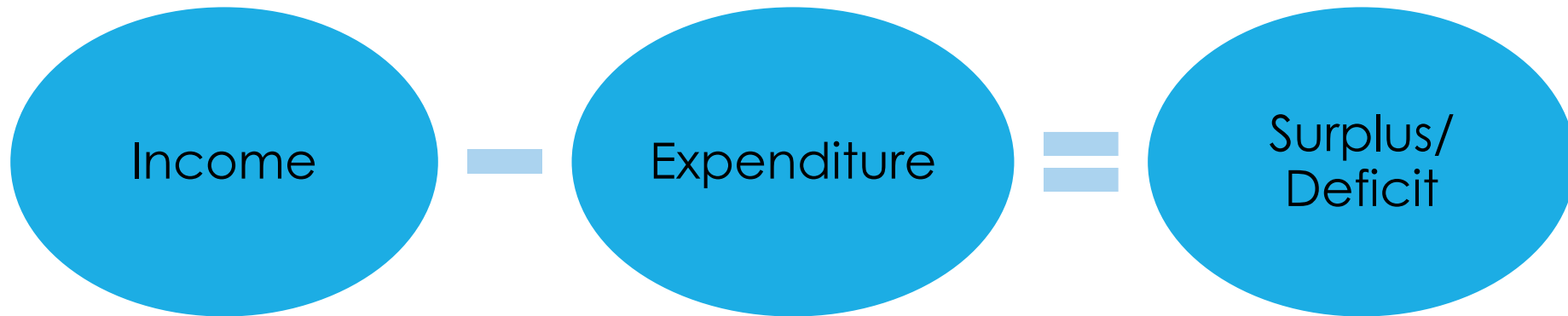
- A member of school management should attend all meetings
- This representative should report to the board on the parent's association meetings
- Parents association's bank account must be included in the school's year end accounts
- The FSSU recommends that a board of management member must be a signatory/online 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
- The estimated timeframe for the agreed project

School Income and Expenditure



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

Internal Controls School Budget



Key Points

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

Internal Controls - Purchasing

All purchases should be pre-approved by the Principal

- ✓ Check stock levels
- ✓ Reimbursements to staff – is the purchase within approved limits

Procurement procedures must be followed (www.spu.ie)

- ✓ Keep all quotations on file.
- ✓ Tax clearance certs obtained if necessary and kept on file.
- ✓ Review contracts with utilities and other service providers for competitive rates on a regular basis.
- ✓ Check that the school is on OGP rates for Electricity / Gas

Internal Controls Bank Accounts



Bank
accounts
kept to a
minimum

Bank
statements
in the name
of the
board

Introduce
electronic
banking

No Debit
Cards

Internal Controls

Payments



2 approvers on all bank accounts
treasurer (always) and chairperson
(Chairperson can delegate another board member)

Backup documentation to be initialled
by the approvers as evidence of
approval

Board must approve signatories/online
approvers and banking policy in place

Internal Controls

Credit cards



Board of management and patron approval

Recorded in the school accounts

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

Credit card policy in place
No cash withdrawals permitted

Receipts attached to each credit card statement and signed by the treasurer & chairperson every month

Internal Controls

Payments

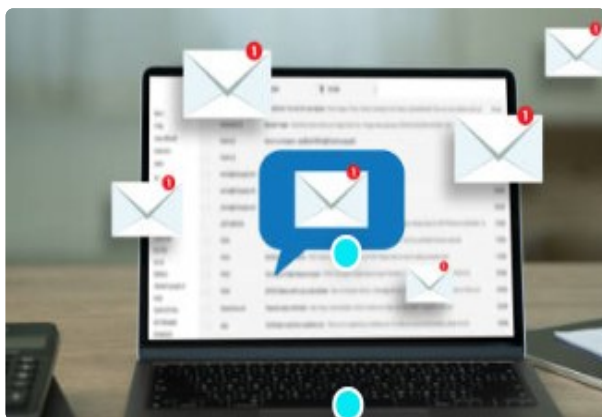


No post-dated cheques, unsigned cheques or partly completed cheques should be used or stored.



Under no circumstances should a blank cheque be signed by a signatory

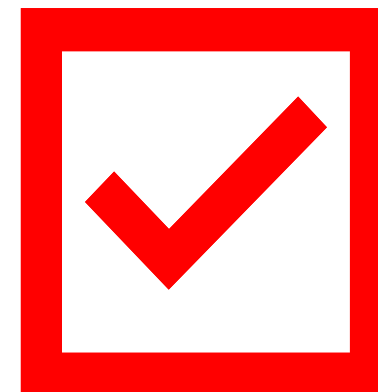
Internal Controls & Banking Scams



Request for bank details to be changed for a supplier by email



Verify that the request is genuine. Contact supplier by phone



Approve new payment details for the payee once verified

Internal Controls

Petty Cash



- The board should approve the use of petty cash
- The board should agree a petty cash float limit and a transaction limit
- There should be 1 person delegated with responsibility for petty cash
- Petty cash transactions should be recorded in the school accounts
- Put a petty cash policy in place
- Write a cheque to petty cash – imprest system
- Never use school income for petty cash
- [Internal Financial Controls Manual](#)

Internal Controls

Cash



Receipts
-should be
given for all
cash
received
>€10

School Safe
– Max
amount for
insurance
purposes

All cash
income
must be
lodged
intact.

Two people
must
prepare the
lodgement

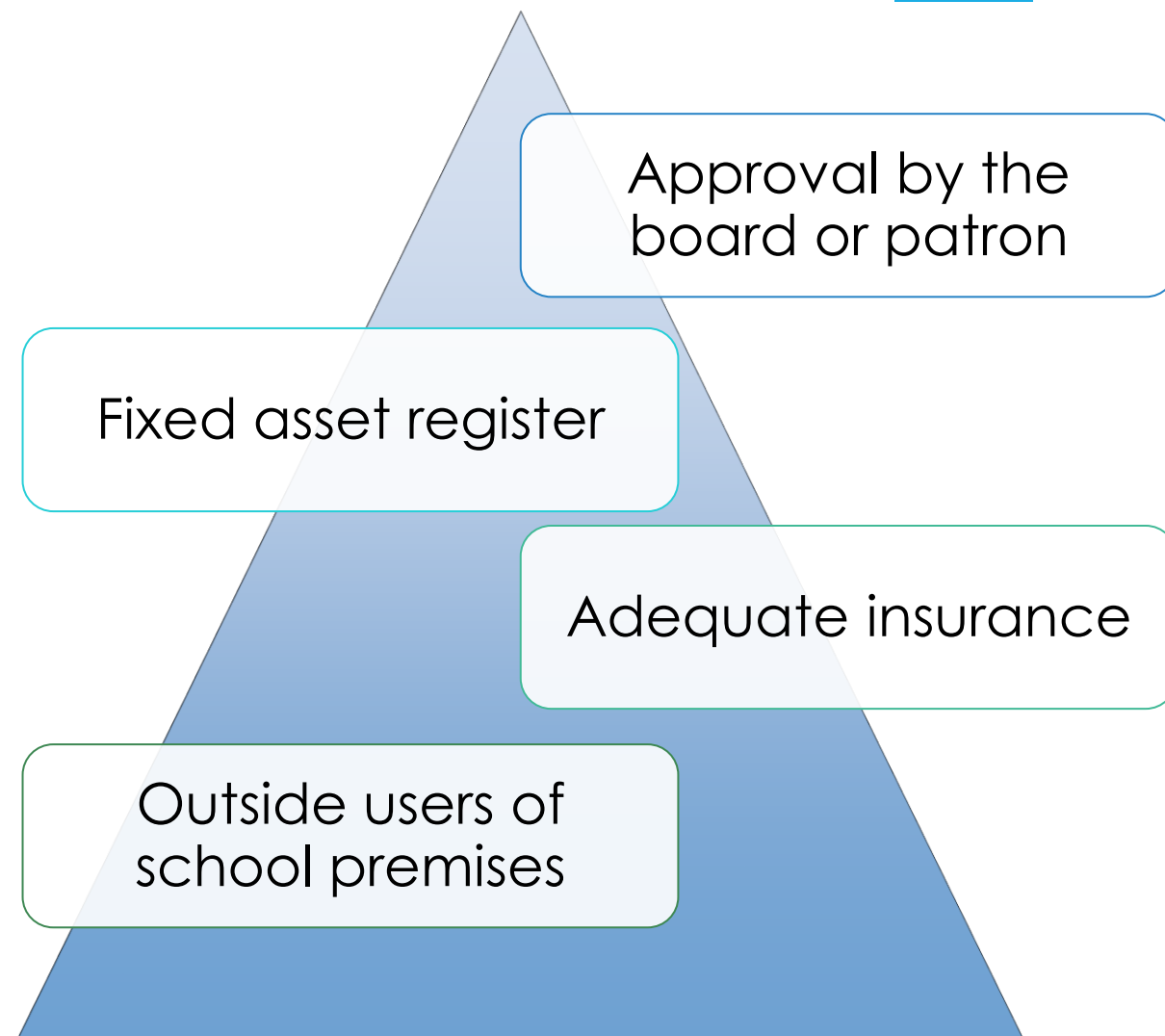
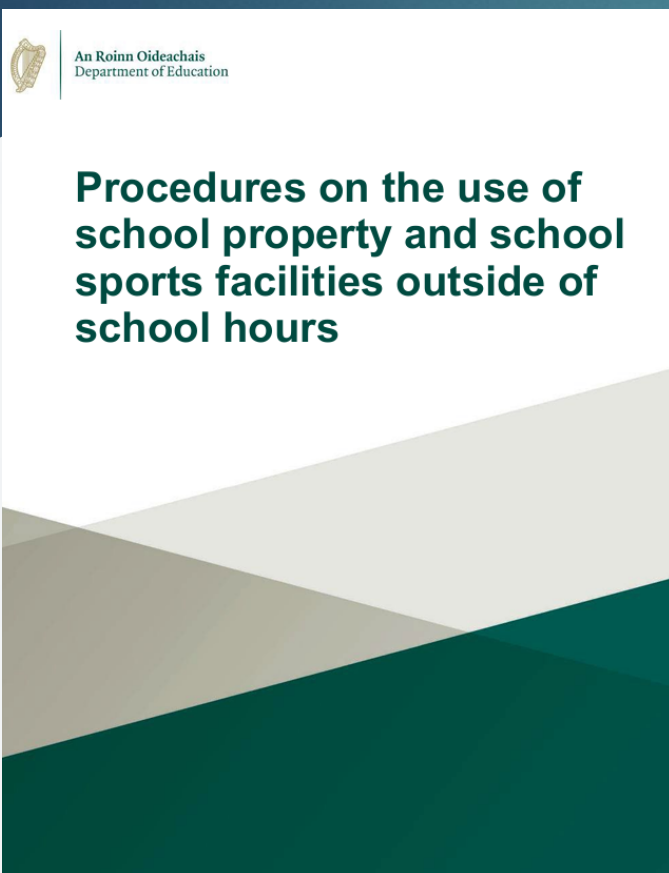
Internal Controls School Payroll



- All 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. The treasurer must review monthly.
- Any changes to rates in pay must be approved in advance by the board.
- Auto Enrolment from 1st January 2026
- Payroll deductions should be paid to Revenue on time.
 - PAYE, PRSI, USC, LPT,
 - Employers PRSI

Internal Controls

Stock and Asset Oversight



Internal controls - OLCS



- Circular 0024/2013 states that '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

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**

Data entry person

First approver - Principal

Second approver

Separate passwords & usernames for all users

Board must approve all users

Reporting
obligations

Revenue
Commissioners

Payroll Taxes

- ▶ PAYE/PRSI/USC
- ▶ Enhanced Reporting Requirements (ERR)

VAT / RCT

Reporting obligations 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

Paid to:

- Employees paid by the board
- Employees paid by the Department of Education e.g. teachers, SNAs
- Board of management members (excluding payments for Travel & Subsistence)

Revenue – Enhanced Reporting Requirements (ERR)

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.

Further information on ERR is available on FSSU website on the link below

[\(ERR\) Enhanced Reporting Requirements - FSSU](#)

Revenue Requirements



RCT

VAT

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

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 chairperson of the board

Charities Regulator Requirements

All schools must be registered
(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 30th June

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

Internal Financial Controls Checklist for Principals



Internal Financial Controls Checklist for Principals

Primary Schools

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 in their role.

Further guidance on internal financial controls can be found [here](#).

Key Internal Financial Control Areas

Governing Documents

- [Governance Manual for Primary School 2023-2027 Governance-Manual-2023-2027.pdf](#)

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 treasurer and Principal.

The financial reports to be presented to the board are:

1. List of balances on all school bank and cash accounts
2. A bank reconciliation statement for each bank account
3. List of payments and receipts for each bank account
4. Income and Expenditure Account Report showing actual versus budgeted figures
5. Balance Sheet Report (if using automated accounts package)
6. List of all creditors/accruals
7. Summary of income/grants received in advance for the next school year and prepayments
8. Capital Income and Expenditure Account Report

- 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.*

Further information can be found on our website here: [School Management - FSSU](#)

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 chairperson and treasurer.

-	The school should maintain a register of volunteers.	
	Further information can be found on our website here: Charities Regulator	
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.	
	Further information can be found on our website here: Fundraising	
School Budget		
-	Request a copy of the current year budget	
-	The budget for the next school year should be prepared and approved by the board by June each year.	
-	Monitor spend against the budget on a monthly basis.	
	Further information can be found on our website here: Budget - FSSU	
Expenditure		
-	The Principal should sign off on 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. All quotes to be kept on file.	
-	SPU can support or answer queries on procurement/tendering www.spu.ie	
-	Tax Clearance Certificates should be requested from suppliers who exceed €10,000 a year in payments.	
	Further information can be found on our website here: Procurement/ Purchasing - FSSU	
Bank Accounts		
-	Consider reducing the number of bank accounts to the minimum.	
-	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 only use business banking online to facilitate 2 approvers of online payments.	
-	The board must approve and implement an electronic banking policy.	
	Further information can be found on our website here: Banking - FSSU	
Payments		
-	There must be two cheque signatories/online payment approvers for all school accounts – the chairperson and the treasurer. The chairperson can delegate their approval to another board member but the treasurer <u>must</u> always be one of the approvers on all payments.	
-	The board should start using online banking for all payments if not doing so already. This is more cost effective and efficient for the school.	
-	The board must approve the authorised approvers and update the bank mandate.	

Internal Controls



Internal Financial Controls Manual for Schools

Download the Internal Financial Controls Manual for Schools [here](#).

Questions?

Thank You

Any questions please email



primary@fssu.ie

Tel: 01-9104020