

Treatment of Bus Escort Grant Income Received

1. Introduction

There has been a significant increase in scale of the bus escort programme. The Bus Escort Grant is provided to assist schools with the cost of employing a bus escort. Funding is based on the daily hours worked by the escort and includes an administration allowance to assist with the cost of administering the employment of bus escorts.

2. Timing of the Grant Payment

- At the end of the school year, the school will complete a bus escort reconciliation return and submit to the School Transport Section. These returns will be used to calculate the grant funding for the next school year and also to deal with any surplus/deficit arising in the current year. Payment will depend on the timely submission of the return, and may be before or after the 31st of August.
- The advance for the next school year is based on current year cost unless there is a significant change in bus escort numbers for the coming year.
- Details of funding calculations can be requested by the school from the School Transport Section to determine the amount of advance grant funding, and any surplus / deficit arising in the current year.

3. How the Funding is Calculated

Element	Calculation / Basis
A. Basic hours	Total annual hours worked by all escorts employed in the school at the approved hourly rate.
B. Holiday pay	8% of A
C. Employer PRSI	PRSI rate applied to A + B
D. Administration allowance	5% of A
E. Employer Auto-enrolment contribution	Actual cost

The administration allowance is intended to assist schools in defraying the cost of administering the employment of escorts in their school. It is a matter for the board of management to decide how this is utilised. Note 5% of basic hours is approximately 4% of the total wages cost.

4. Overview of adjustments required for monies received/due for the next school year

Any grant carried forward at the start of the year and receipts during the year should be recorded to income nominal code <3294 Bus Escort Grant>.

	Situation at 31 August	Accounting treatment	Debit Nominal code	Credit Nominal code
1	- Grant funding for current year exceeds bus escort costs plus administration allowance and - Advance grant for next year received	Carry forward the current year surplus and advance as a grant received in advance	3294 Bus Escort Grant Income	2150 Grants received in advance Current Liability
2	- Grant funding for current year exceeds bus escort costs plus administration allowance and - Advance grant for next year not received	Carry forward the current year surplus as a grant received in advance	3294 Bus Escort Grant Income	2150 Grants received in advance Current Liability
3	- Bus Escort costs plus administration allowance exceeds grant funding for current year and - Balancing/advance grant for next year received	Carry forward the element of grant received for the next year as a grant received in advance	3294 Bus Escort Grant Income	2150 Grants received in advance Current Liability
4	- Bus Escort costs plus administration allowance exceeds grant funding for current year and - Balancing/advance grant for next year not received	Recognise deficit on current year funding as a grant due	1730 Grant Due Current Asset	3294 Bus Escort Grant Income

Schools should use the sample template for manual reports to assist in calculating the amount of advance grant received or due at year-end.

If there is any difficulty in establishing these figures, or actual funds received do not agree to calculations the school should request details of the payment calculation from the School Transport Section.

5. Accounting Examples

Example 1: Surplus on current year funding and advance grant received before 31st of August.

Description	Amount
Grant received for current year	€10,000
Less bus escort wages cost	(€8,000)
Less administration allowance (4% of wages cost)	(€320)
Equals surplus on current year funding	€1,680
Add Advance grant payment for the next year*	€6,640
Equals amount to carry forward at year-end	€8,320

*If there is no significant change in bus escort staffing the advance grant payment will be the current year wages cost plus the administration allowance less the surplus of current year funding i.e. €8,000+€320-€1,680.

Example of calculation using FSSU template for manual reports:

GRANT		Balance Unspent B/fwd	Current Year Grant Income			Current Year	Expenditure	Current Year Surplus/Deficit	Total Grant Unspent	
	NOMINAL CODE	ENTER € AMOUNT	NOMINAL CODE	ENTER € AMOUNT		NOMINAL CODE	ENTER € AMOUNT	€	NOMINAL CODE	€ AMOUNT
Bus Escort Grant	2171 or 2150	10,000.00	3294	6,640.00	Bus Escort Salary Expense	4196/4200	8000	-1680	2150	8320
					Bus escort grant administration allowance		320			

The surplus and advance payment for the next year should be included in the balance sheet as a grant received in advance and reversed at the beginning of the next financial year.

Journal entry at year end	DR	CR
Bus Escort Grant Income - 3294	€8,320	
Grants Received in Advance - 2150		€8320

Example 2: Surplus on current year funding and advance grant received after 31st of August.

Description	Amount
Grant received for current year	€10,000
Less Bus Escort wages cost	(€8,000)
Less administration allowance (4% of wages cost)	(€320)
Equals surplus on current year funding & amount to carry forward at year-end	€1,680

Example of calculation using FSSU template for manual reports:

GRANT		Balance Unspent B/fwd	Current Year Grant Income		Current Year Expenditure	Current Year Surplus/Deficit	Total Grant Unspent
	NOMINAL CODE	ENTER € AMOUNT	NOMINAL CODE	ENTER € AMOUNT	NOMINAL CODE	ENTER € AMOUNT	€
Bus Escort Grant	2171 or 2150	10,000.00	3294		4196/4200	8000	-8320
						320	1680

The surplus should be included in the balance sheet as a grant received in advance and reversed at the beginning of the next financial year.

Journal entry at year end	DR	CR
Bus Escort Grant Income - 3294	€1,680	
Grants Received in Advance - 2150		€1,680

Example 3: Deficit on current year funding and balancing/advance grant received before 31st of August.

Description	Amount
Grant received for current year	€10,000
Less bus escort wages cost	(€12,000)
Less administration allowance (4% of wages cost)	(€480)
Equals deficit on current year funding	(€2,480)
Add balancing/advance grant payment for the next year*	€14,960
Equals amount to carry forward at year-end	€12,480

*If there is no significant change in bus escort staffing the balancing/advance grant payment will be the current year wages cost plus the administration allowance plus the deficit in current year funding, i.e. €12,000+€480+€2,480.

Example of calculation using FSSU template for manual reports:

GRANT	NOMINAL CODE	Balance Unspent B/fwd	Current Year Grant Income			Current Year Expenditure		Current Year Surplus/Deficit	Total Grant Unspent	
		ENTER € AMOUNT	NOMINAL CODE	ENTER € AMOUNT		NOMINAL CODE	ENTER € AMOUNT		NOMINAL CODE	€ AMOUNT
Bus Escort Grant	2171 or 2150	10,000.00	3294	14,960.00	Bus Escort Salary Expense	4196/4200	12000	2480	2150	12480
					Bus escort grant administration allowance		480			

The element of the payment received for the next year should be included in the balance sheet as a grant received in advance and reversed at the beginning of the next financial year.

Journal entry at year end	DR	CR
Bus Escort Grant Income - 3294	€12,480	
Grants Received in Advance - 2150		€12,480

Example 4: Deficit on current year funding and advance grant received after 31st of August.

Description	Amount
Grant received for current year	€10,000
Less Bus Escort wages cost	(€12,000)
Less administration allowance (4% of wages cost)	(€480)
Equals deficit on current year funding	(€2,480)

Example of calculation using FSSU template for manual reports:

GRANT	NOMINAL CODE	Balance Unspent B/fwd	Current Year Grant Income			Current Year Expenditure		Current Year Surplus/Deficit	Total Grant Unspent	
		ENTER € AMOUNT	NOMINAL CODE	ENTER € AMOUNT		NOMINAL CODE	ENTER € AMOUNT		NOMINAL CODE	€ AMOUNT
Bus Escort Grant	2171 or 2150	10,000.00	3294		Bus Escort Salary Expense	4196/4200	12000	-12480	2150	-2480
					Bus escort grant administration allowance		480			

The deficit should be included in the balance sheet as a grant due until the balancing grant is received. The journal should be reversed at the beginning of the next financial year or when the grant is received, as appropriate.

Journal entry at year end	DR	CR
Grants Due - 1730	€2,480	
Bus Escort Grant Income - 3294		€2,480