

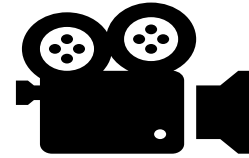


Financial Governance

Newly Appointed Principals



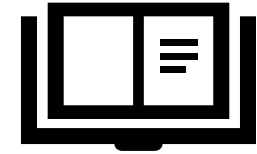
Webinar



Recording



Email



Handouts



www.fssu.ie

Q&A

Questions

Agenda



- ▶ Introduction to the FSSU
- ▶ Responsibilities of the board, finance subcommittee and Principal for school finances
- ▶ FSSU & Charities Regulator annual reporting requirements
- ▶ Fundraising and the Parents Association
- ▶ Important internal controls
- ▶ Revenue commissioners' requirements – VAT, RCT, Payroll and Travel & Subsistence
- ▶ Other topics including school budget, OLCS, school tours

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

Training

Audit



Financial Support Services Unit (FSSU)

Contact us



www.fssu.ie



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info@fssu.ie

Board of management and school finance



Approve school tours, fundraisers, use of school premise by outside bodies

Keep proper books of accounts

Ensure expenditure does not exceed income

Responsibilities of the board

Ensure adequate and proper insurance

Set up a finance sub-committee

Approve the cheque/online signatories/approvers

The Finance Sub-Committee



The Finance Sub-Committee



Terms of reference and functions to be performed by the committee

Membership of the committee

Tenure of office

Reporting arrangement with the board

The Finance Sub-Committee



- Principal and two board members, additional person(s) with expertise
- Meet before every board meeting
- Financial reports to be sent in advance to the finance sub-committee
- Minutes of meeting are kept
- The Principal is entitled to be a member of any and every committee appointed by the board

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



Manage all bank accounts

Day to day running expense

Ensure proper books of accounts are maintained

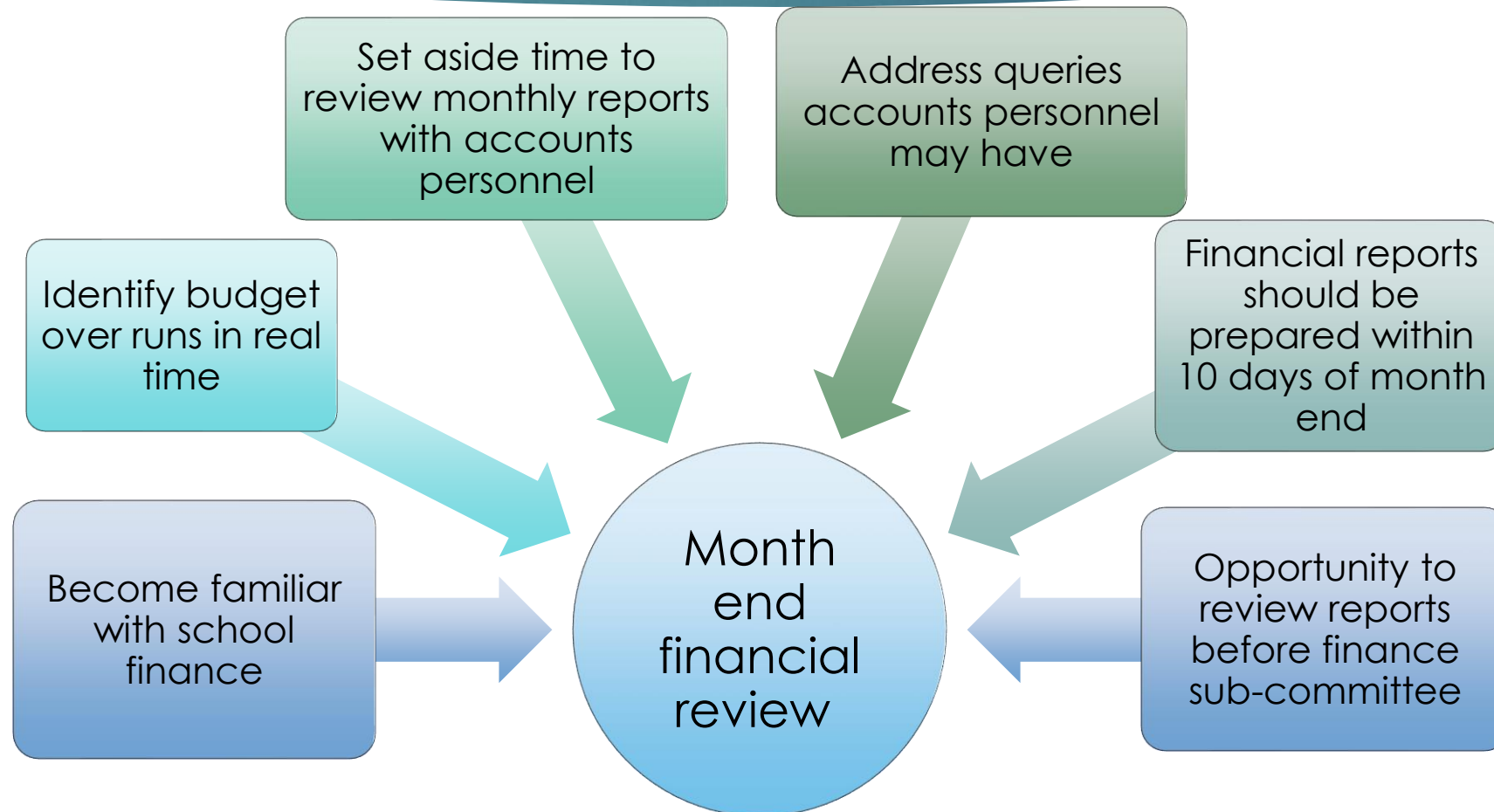
Day to Day financial responsibilities

Submit financial reports to the board

Ensure expenditure does not exceed income

Ensure income & expenditure is monitored on a regular basis

Month end financial review



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

Balance Sheet

List of Creditors and Accruals

Prepayments and Advance Income

Payroll reports

Capital Income and Expenditure Account(s)

Ringfenced Grants

ICT Digital Strategy Grant

Non-Teacher Pay Grant

School Meals Grant

School Excellence Fund

School Library Books Capital Grant

Book Grant

S&S Grant

JCSP Grant

Bus Escort Grant

Early Start Programmes

Capital Grants

FSSU Annual Reporting Requirements



- Ensure annual accounts are prepared for external accountant/auditor on a timely basis
- External accountant/auditor should be invited to present the accounts to the board
- Annual school accounts to be submitted to the FSSU each year
- Due 28th February each year

FSSU Annual Reporting Requirements



- Copy of the approved accounts to be sent to the patron/trustee
- Financial report to Parents
- Accounts signed by the Chairperson and another member of the board – not the Principal

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

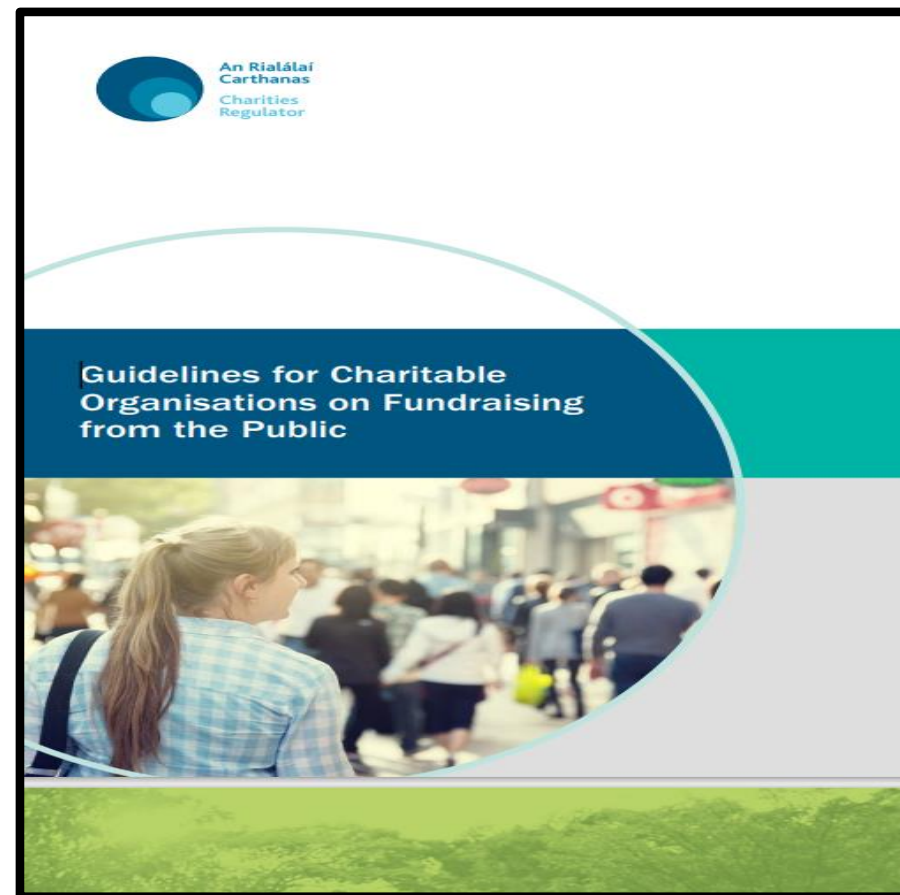
Must Maintained a register of
volunteers

Parent's Association

- Principal/Deputy Principal should attend all meetings
- Principal 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
- Principal must be a signatory/online approver on the parents' association bank' account
- Bank statements must be in the name and address of the school

Fundraising

- Any fundraising activities should be approved in advance by the board
- Always two people involved
- Financial report to the board



Fundraising

It is good practice to record the agreement reached between the board and the Parents' Association in relation to such 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

School Budget



Key Points

- Budget for the next school year is prepared & approved by the board by June
- Review by the finance subcommittee
- Approved by the board
- Submit to patron/trustee for VSS & to Department of Education for C&C schools
- FSSU provide template and training on preparing the budget

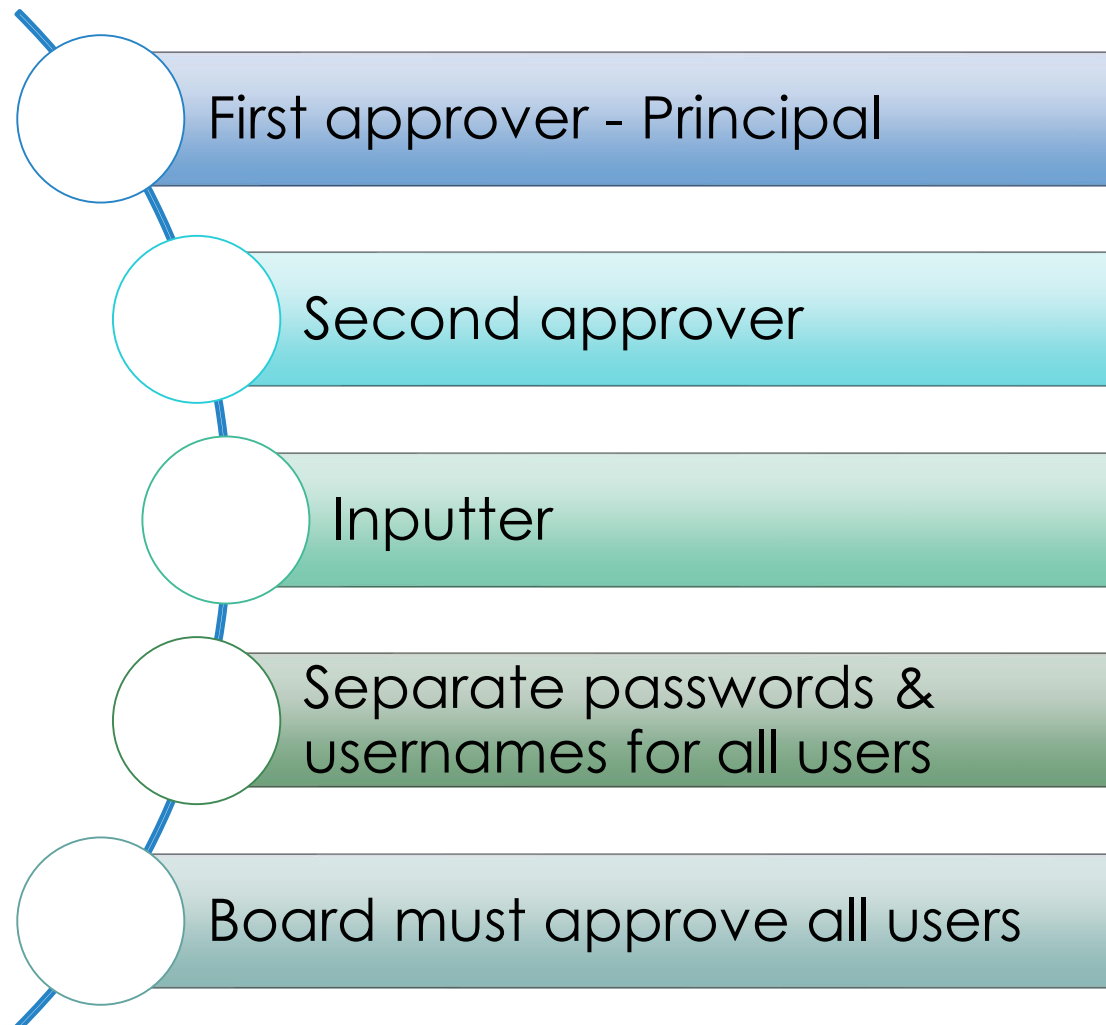
OLCS



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

Asset Oversight

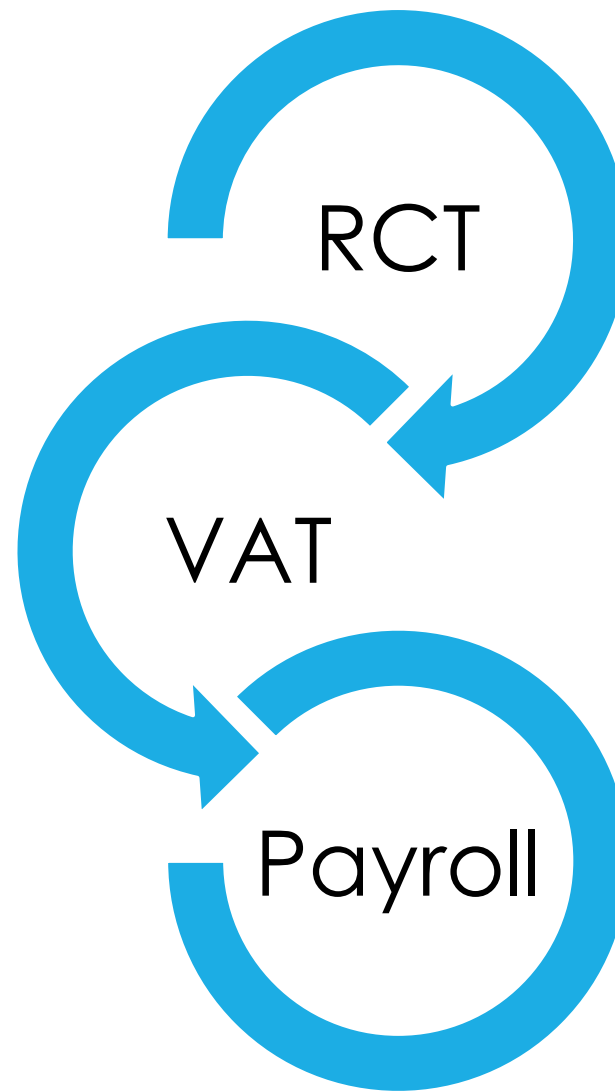
Approval by the
board or
trustee/patron

Fixed asset register

Adequate insurance

Outside users of
school premises

Revenue Requirements



Relevant Contracts Tax (RCT)



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

RCT Steps

1

Contract Notification

Notify Revenue the school is entering into a construction contract

2

Payment Notification

Notify Revenue that a payment will occur

3

Deduction Authorisation (DA)

Revenue will set out how much, if any RCT should be withheld (0%, 20% or 35%). DA to be sent to sub-contractor

4

Deduction Summary

Outlines RCT due at the end of filing period

5

Pay RCT over to Revenue

Remember: Don't make a payment to a supplier until Revenue have been notified

Reverse Charge VAT



If RCT applies VAT applies



VAT to be accounted for by the Principal Contractor



School's must account for VAT at 13.5%

School Payroll



- Review register of employees and ensure all employees have an employment 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 include
 - Support staff
 - Supervisors of after school study
 - Teachers paid for correction of mock exams
 - Canteen/tuck shop staff

Internal Controls



- Bank Accounts
- Income
- Purchase
- Payments
- Credit Card
- Petty Cash

Internal Controls



Bank accounts kept to a minimum

Bank statements in the name of the board

Introduce electronic banking

No Debit Cards

Internal Controls



Receipts
- excess of
€10
- signed by
two parties

School Safe
- Max
amount for
insurance
purposes

All cash
income
must be
lodged
intact.

Two people
must
prepare the
lodgement

Internal Controls



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



Internal Controls



Purchase order procedure in place

A triplicate purchase order book

Principal signs off on all purchases

Large amounts approved by the board

3 Quotes - > €50,000 e-tenders > SPU

Internal Controls



2 cheque signatories/online approvers – always the Principal and other person approved by the board

Person entering the payments on the system should not be an approver or cheque signatory

Board has approved signatories/online approvers

Supporting invoices or other documentation and initialled by the cheque signatories as evidence of approval

Internal Controls



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

Important step to take now

Review the school budget

Review the pay rates of the non-teaching staff

Review holiday arrangement, working hours etc. for the non-teaching staff. e.g. full time, term time etc.

Get a list of all passwords- computer, safe, alarm

Update the bank mandates to give you authorisation to approve payments etc.

Contact the OLCS section to register your details and get your own password for the system.



Questions?



Thank You

Any questions please email



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