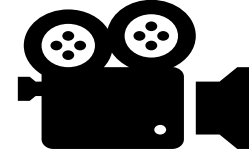


Financial Training for Principals



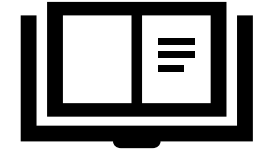
Webinar



Recording



Email



Handouts



www.fssu.ie

Q&A

Questions

kiarashine@fssu.ie

Technical Support

Agenda



- ▶ Introduction to the FSSU
- ▶ Responsibilities of the board, treasurer and Principal for school finances
- ▶ Important internal controls
- ▶ Revenue commissioners' requirements – VAT, RCT, Payroll and Travel & Subsistence
- ▶ FSSU & Charities Regulator annual reporting requirements

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

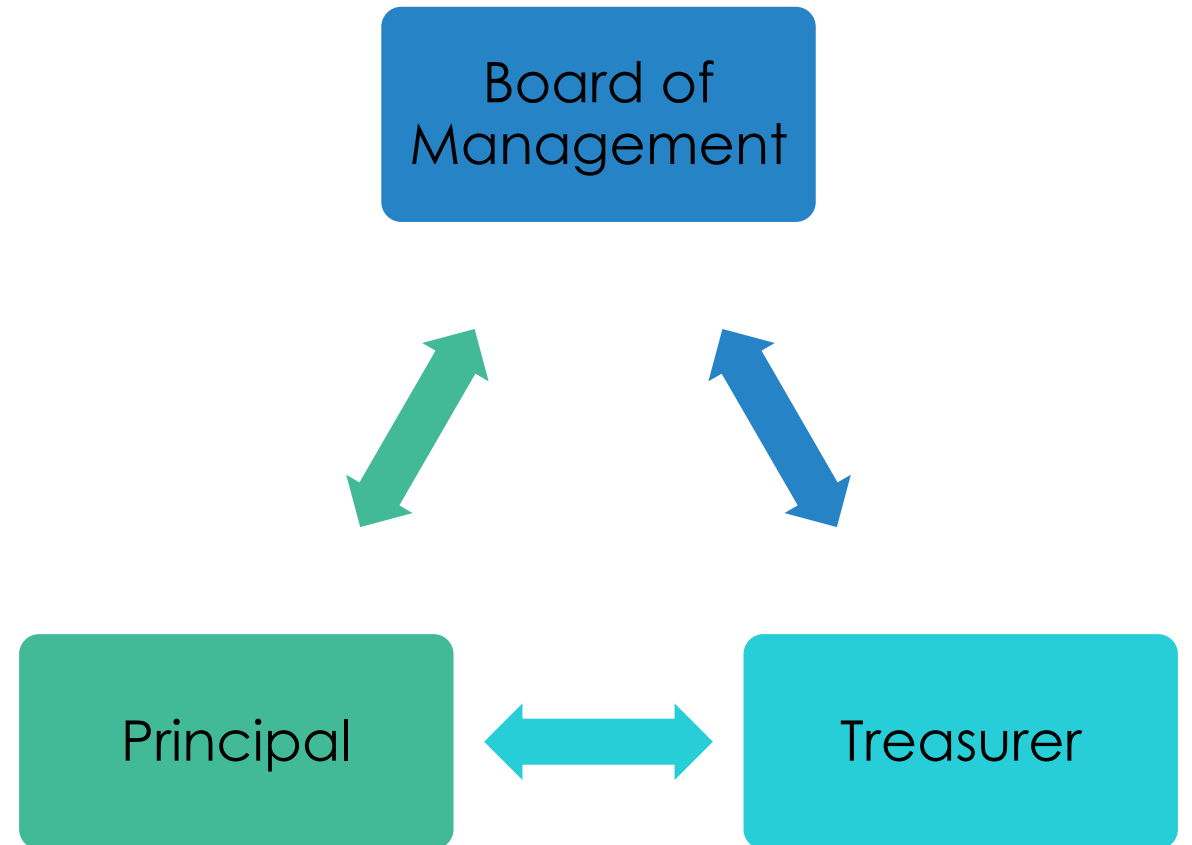
Central Repository

Compliance

Audit

Training

School Management and school finance

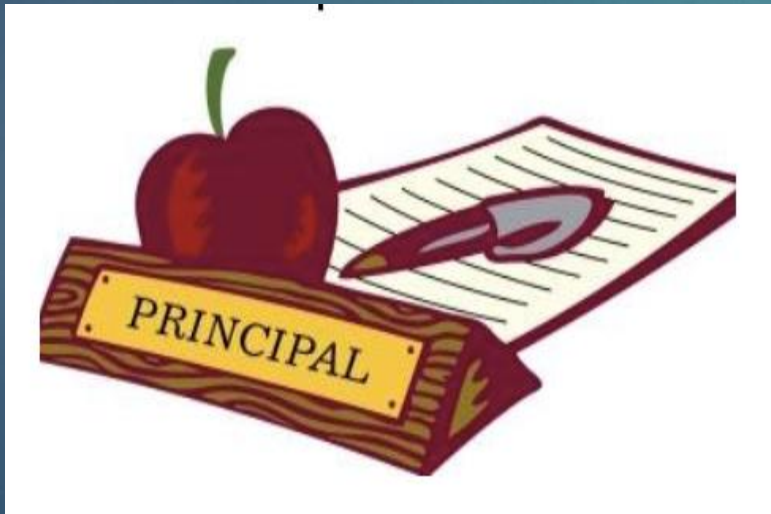


Board of management and school finance



“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



Important Controls to have in place

Reporting to the Board
of Management

Income

Budgeting

Purchasing

Banking

Payroll

Fixed Asset
Register

OLCS

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 cheque signatories/online approvers – always the treasurer and chairperson(delegate their approval to another board member)

School secretary is not permitted to approve payments as they are not a member of the board

Board has approved signatories/online approvers

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

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 Petty Cash



- The board should approve the use of petty Cash
- Put a petty cash policy in place
- Never use school income for petty cash

Internal Controls



Go Cashless

Online Cash Collection System



Internal Controls Cash



Receipts
-should be
given for all
cash
received

School Safe
– Max
amount for
insurance
purposes

All cash
income
must be
lodged
intact.

Two people
must
prepare the
lodgement

Purchasing Controls

-Credit cards



Board of management and Patron approval

Recorded in the school accounts
No Cash Withdrawals Permitted

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

Credit card policy in place

Monthly credit card statement should have all
receipts attached and signed by the Treasurer

Internal Controls Stock and Asset Oversight

Approval by the
board or patron

Fixed asset register

Adequate insurance

Outside users of
school premises

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

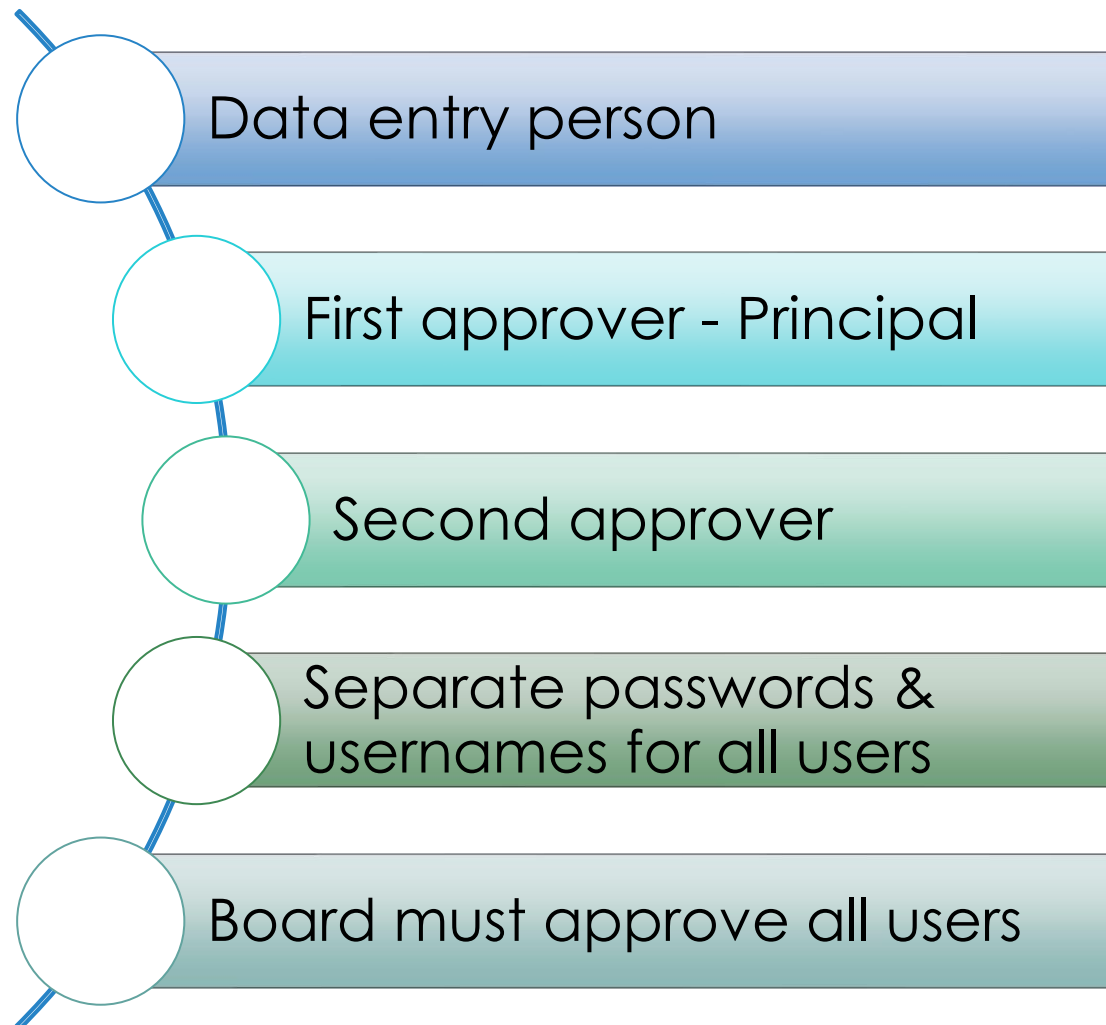
OLCS



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

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 and prior year figures

Monthly Financial Reports

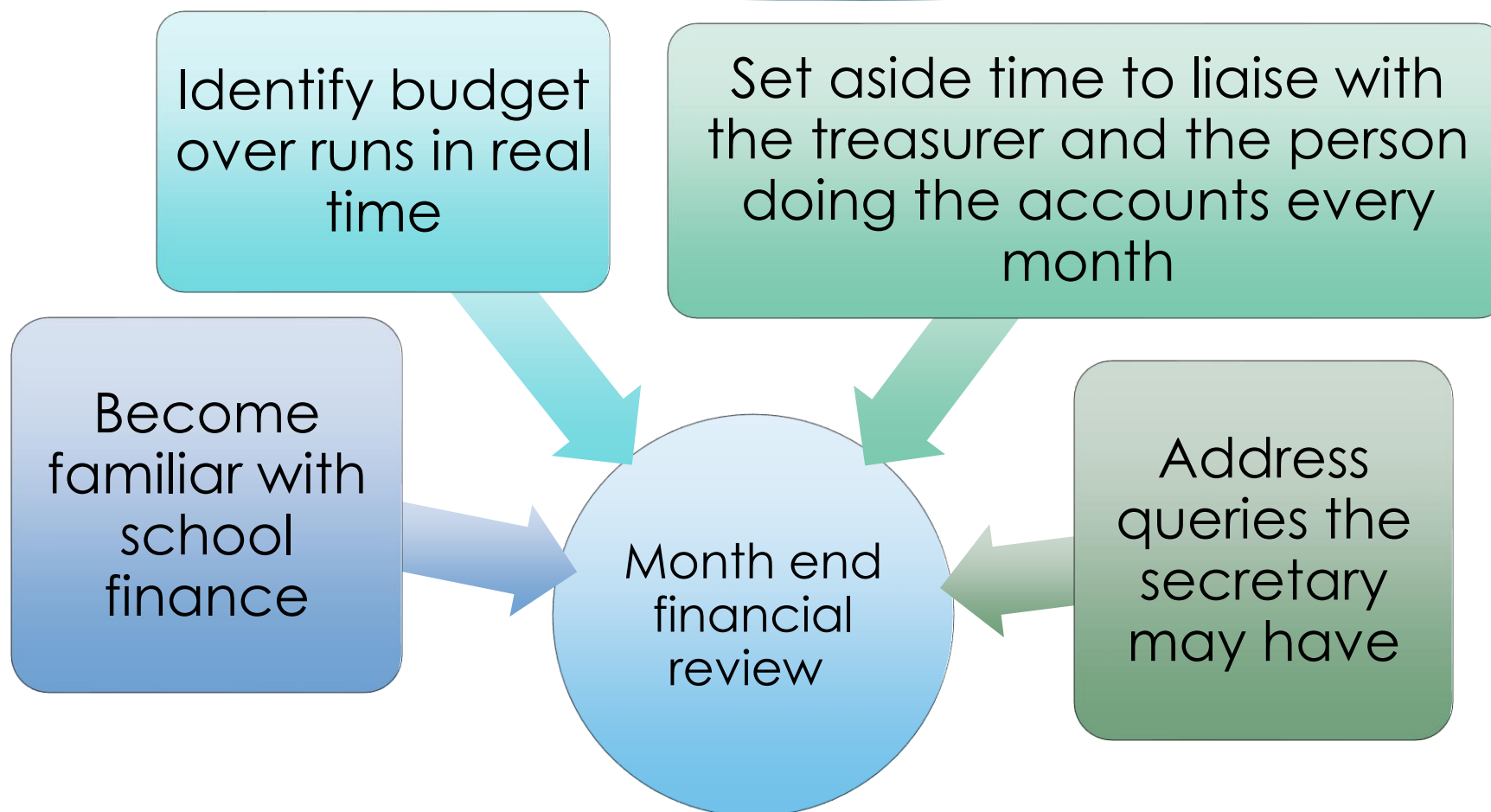
List of Creditors and Accruals

Prepayments and Advance Income

Payroll reports

Capital Income and Expenditure Account
(if relevant)

Month end financial review



Sources of School Income

DE Grants

Other State Bodies e.g. DSP

School generated income e.g. swimming, buses, Arts and crafts

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

DE General Funding

- ▶ Capitation Grant Circular 0038/2020
- ▶ 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

Attendance Campaign Support grant

School Meals Grant

Standardised Testing Grant

School Library Books Capital Grant

Free School Books Grant

Minor Works Grant

DEIS Grant

Bus Escort Grant

Early Start Programmes

Capital Grants

School Expenditure



Salaries –caretaker, cleaner privately paid staff



Education - Other



Repairs & Maintenance



Administration



Finance



See COA for further breakdown

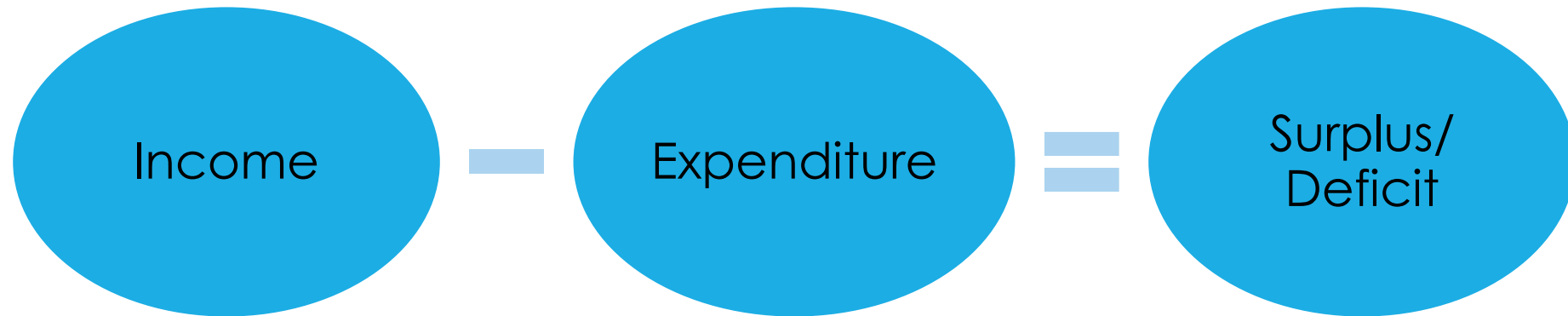
School Budget



Key Points

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

School Income and Expenditure



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

Revenue Requirements



RCT

VAT

PAYROLL

ERR

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

School Payroll



- 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.
- Any changes to rates in pay must be approved in advance by the board.
- Payroll deductions should be paid to Revenue on time.
 - PAYE, PRSI, USC, LPT,
 - Employers PRSI

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

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.

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 Controls



Internal Financial Controls Manual for Schools

<https://www.fssu.ie/app/uploads/2024/07/Internal-Financial-Controls-Manual-Aug24.pdf>



Questions?



Thank You

Any questions please email



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