

19. Finance

(a) Capital expenditure and works

- (i) No alteration, extension or replacement of the school building and/or grounds shall be undertaken by the Board unless and until such have been approved in writing by the Patron and Trustees.
- (ii) In addition to the approval required under **(i)** above, capital expenditure for which grant aid is to be sought must not be entered into until prior written sanction to do so has been received from the Department.
- (iii) Boards must comply with current building and planning regulations and current public procurement requirements.
- (iv) Nothing in this Section shall prevent the Board from carrying out minor works covered by Circular 0141/2006 ("Grant Scheme for Minor Works to National School Properties"). If in doubt on the interpretation of the terms of that circular, the Board should consult with the Building Unit of the Department.
- (v) The Patron may designate the Chairperson or a member of the Board to act on behalf of the school authority in dealing with the Department in regard to capital expenses. Such designation must be made in writing.

(b) Grant Payments

Details of funding to be issued to schools, incorporating any budgetary changes, are placed on the Department's website every year.

Funding provided for specific purposes, such as for the purchase of ICT equipment or to assist parents with the cost of books, must be used only for the purpose for which it is granted.

Per capita grants are provided to cover general running costs, as well as caretaking and secretarial services. As per Circular 40/2009, these grants may be regarded as a common grant, which the Board of Management may allocate according to its own priorities.

(c) Insurance

- (i) In general, it is the duty of the Board of Management (delegated by the Trustees) to put in place comprehensive insurance cover for the school. In the case of Catholic schools it is the duty of the Trustees in consultation with the Board of Management to insure school property.
- (ii) The Board shall ensure that all such insurances are effected and maintained as are necessary to safeguard the school, the Board and the Trustees against all public liability and against the consequences of negligence on the part of any person employed by the Board or any servant or agent of the Board, or any defect in the buildings, premises, furnishings or equipment of the school whereby loss or damage might result to any person in or upon the school premises.
- (iii) The following is the position for schools operating from premises owned by the Minister:

A Lease, to be executed between the Minister and the relevant school Patron, is being introduced for schools operating in premises owned by the Minister. Under the terms of that Lease, schools are obliged to take out Public Liability, Employer's Liability and content insurances but are not required to take out buildings cover. Buildings, other than contents and those areas specifically identified in the Lease, will be covered by State indemnity.

The Lease will be put into place on a phased basis, starting with schools that have recently commenced operation in a premises owned by the Minister. Thereafter, Leases will be put in place for schools already operating in Minister owned premises. It is intended to have Leases put in place for all such schools as soon as practicable.

Boards must adhere to all terms and conditions detailed in the Lease agreed between the School Patron and the Minister for the use of the building and in the event of any claims arising from a Board's non-performance of such terms and conditions, the Board must indemnify the School Patron from any resulting loss and must maintain an insurance policy to enable it to do so.

(iv) The relevant insurance policies shall be available for inspection by interested parties.

(d) Accounting practice

What constitutes an adequate accounting system will depend on the size of the school and the diversity of its activities. However, a computerised template of an efficient accounting system is available on the Department's website. Boards of Management are asked to consider utilising this package for accounting systems.

Boards may also avail of on-line banking systems, however, the Board must satisfy itself that proper internal controls are in place for the use of on-line banking services and that all proper and usual accounts are kept in respect of each transaction (Section 12 above refers).

(i) All expenditure by or on behalf of the Board of Management must be approved by the Board. The keeping of accounts and records must be in accordance with Section 18 of the Education Act, 1998.

(iii) A total account of the Board's income and expenditure shall be prepared at the end of each school year and shall be properly audited or certified in accordance with best accounting practice. This account should be made available for inspection to the school community including parents, the Patron, Trustees and the Minister. This account should incorporate details of all accounts which may be maintained separately by the Board in compliance with the terms of particular grant schemes.

(iv) Copies of this account, referred to at (ii) above, shall be presented to members of the Board and a copy of this account retained as part of the minutes of the Board of Management.

(iv) The school accounts shall also be available for audit by officers of the Department and officials of the Comptroller and Auditor General's Office if requested.

(v) All transactions from the school accounts must be signed by the Chairperson and the Treasurer. However, the Chairperson may nominate a Board member to act as signatory in his/her absence as outlined at **12 (c)** above.

(e) Budgeting

(i) Boards of Management should budget in such a way as to enable them to meet commitments which may be substantial but which arise only periodically.

(ii) Boards' expenditure should not exceed their annual income.

(iii) Overdrafts or other forms of debts or excesses of expenditure over income must be approved by the Patron, in conjunction with Trustees where required, and should be avoided except for limited periods, and where the Board is satisfied that the overdraft or debt can be cleared by the Board.

(iv) At the commencement of its financial year the Board shall frame and adopt a budget for the year.

(v) This budget should include provision for all relevant items of expenditure such as insurance, purchase of classroom requisites, maintenance costs etc.

(vi) The Board of Management may form a finance sub-committee to operate under the authority of the Board.

(vii) A Parents' Association is entitled to raise funds for the administration and activities of the association. They shall consult with the Board about any fund-raising for the school or school projects. The approval of the Board is needed prior to these funds being raised. The expenditure of these funds is by the Board of Management in consultation with the Parents' Association. All monies raised or generated for an agreed project for the school should, as soon as is practicable, be lodged to the school account. Any funds raised must be used for the purpose(s) for which the money was collected. If in exceptional circumstances, it becomes unnecessary for the Board to use all of the funds collected for the purpose specified, the Board will communicate this to the Parents' Association and where appropriate, the local community. In any event the funds must be used for the school. The Board in consultation with the Parents' Association committee will decide the change of purpose for which the funds are used.