

Rannán na Scoileanna – Airgeadas
An Roinn Oideachais agus
Scileanna
Cor na Madadh
Baile Átha Luain
Co. na hIarmhí



Schools Division - Financial
Department of Education and
Skills
Cornamaddy
Athlone
Co. Westmeath

Circular 0051/2013

To the Management Authorities of Primary Schools, Voluntary Secondary Schools, Community and Comprehensive Schools and Chief Executives of Education and Training Boards

Tax Compliance

The attention of Management Authorities of Primary Schools, Voluntary Secondary Schools, Community and Comprehensive Schools and Chief Executives of Education and Training Boards (ETBs) is drawn to the following guidance regarding Tax Compliance:

1. School Management Authorities/ETBs are obliged to ensure that the correct determination is made before paying individuals for services received. Where a School/ ETB is paying an individual to provide a service, it is important to establish whether that individual should be classed as an employee/office holder of the School/ ETB or as self-employed.

The following documentation which is available on the Revenue Commissioners website (www.revenue.ie) may assist in determining the correct category:

(a) Code of Practice for Determining Employment or Self- Employment Status of Individuals

(<http://www.revenue.ie/en/tax/it/leaflets/code-of-practice-on-employment-status.pdf>)

(b) Statement of Practice SP IT/1/04 -Tax Treatment of Remuneration of Members of State and State Sponsored Committees, Boards, Commissions and other Bodies

(<http://www.revenue.ie/en/practitioner/law/statements-of-practice/statement-of-practice-it1-04revised.pdf>)

(c) Statement of Practice SP-IT/2/07 - Tax treatment of the reimbursement of expenses of Travel and Subsistence to Office Holders and Employees

(<http://www.revenue.ie/en/practitioner/ebrief/archive/2007/no-492007.html>)

Importantly, if there is a doubt as to whether an individual is an employee/office holder or self-employed, contact should be made with the local Revenue Office who will advise of the correct treatment in individual cases.

2. Where an individual is treated as self-employed (contract for service) the School/ETB should be satisfied that this treatment is in accordance with the Code of Practice for Determining Employment or Self- Employment Status of Individuals.
3. Where an individual is an employee (contract of service) of a School/ETB, the School/ETB must ensure that all appropriate statutory deduction are made to that individual's salary and that all tax liabilities are paid on or before the relevant due dates.
4. Revenue have published a Guidance Note for Boards of Management with reference to Relevant Contracts Tax/Value Added Tax (July 2012).
(<http://www.revenue.ie/en/tax/rct/guidance-boards-rct-vat.pdf>)
5. In the case of all public sector contracts (goods or services) of a value of €10,000 (inclusive of VAT) or more within any 12 month period, tax clearance procedures must be adhered to. School Management Authorities/ETBs must also ensure that, where applicable, tax clearance requirements regarding the payment of grants, subsidies and similar type payments are also fully adhered to.
Guidelines in relation to tax clearance requirements can be found on the Revenue Commissioners website (<http://www.revenue.ie/en/tax/it/leaflets/guidelines-tax-clearance.html>)
6. School Management Authorities /ETBs should be exemplary in their compliance with taxation laws and ensure that all tax liabilities are paid on or before the relevant due dates.

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