



Riverview Educate Together National School

Financial Control Policy

This policy was reviewed and ratified by:

Riverview Educate Together Board of Management February 2019

Signed: _____

Date: _____

Nichola Murphy: Chairperson Board of Management

Signed: _____

Date: _____

Margaret Burke: Principal



RVETNS Financial Control Policy

1. Controls over Payment Procedures

Authorised Cheque Signatories:

- There should be two cheque signatories for all school accounts – the Principal and Chairperson or other person approved by the Board of Management.
- Under no circumstances should a blank cheque be signed by a signatory.
- No one individual should have unlimited signing authority on any school bank account and amounts above €500.00 require specific Board of Management approval.
- No post-dated cheques, unsigned cheques or partly completed cheques should be used or stored.
- Cheques should be written in order with one cheque book in use at any one time.
- Cheque books should be stored in a very secure location.

School Account Debit Card:

The debit card will be held in Principal's possession and should be used to purchase items or engage services that are in the yearly budget.

- For unbudgeted payments, the Principal will seek approval (in the form of an email) from the Treasurer.
- All receipts as well as the approval email from the Treasurer, where it applies, will be passed to the Secretary for correct processing and filing.

School Bank Account Online Access:

- Bank Account log-ins are held by the Principal and the Treasurer only and are not shared with anyone.
- Regular downloads of the transaction history will be provided to the Secretary so that she can keep the accounting system reconciled with the bank account.
- Transfers from the bank account can be made by either the Principal or the Treasurer, to purchase items or engage services that are in the yearly budget. Before these payments can be made, the invoice is to be approved by 2 cheque signatories i.e. signed and dated.
- For unbudgeted payments, the Principal will seek approval (in the form of an email) from the Treasurer.
- All paperwork related to the payment and the approval email from the Treasurer, where it applies, will be passed to the Secretary for correct processing and filing.

Supporting Documentation:

- When cheques are presented for signature, they should be accompanied by supporting invoices or other documentation and initialled by the cheque signatories as evidence of approval.

- Both cheque signatories should satisfy themselves independently that the payment is properly due.
- Invoices and other documentation should be filed, retained and available for audit.

Segregation of Duties:

- As far as possible, there should be adequate segregation of duties to ensure that no one individual has complete control over all aspects of the cash cycle i.e. receipts and payments. This reduces the risk of intentional manipulation or error.

Wages and Salaries:

- Payment of all wages should be made either: by cheque or direct debit drawn on the school bank account or transferred electronically
- Wages or salaries paid from school funds are never paid in cash.
- Wages and salaries paid to clerical staff, caretakers, cleaners or any other school employees should be approved by the Principal who can confirm that the service has been provided and that the wages / salaries are properly due.
- Proper time sheets for all employees should be maintained and filed for future reference.
- All payment records should be retained in the school and maintained by the School Secretary / Treasurer / Bursar.
- Accurate records for new and ceasing employees, pay levels and PAYE/PRSI calculations should be carefully filed.
- These controls also apply to substitute teachers (until alternative arrangements are put in place by the DES), part-time teachers, supervisors and non-teaching personnel who are paid directly by the school.
- All remuneration payments made by the school must be Revenue compliant. Payments made to teachers and other personnel for services such as after school study are subject to tax and PRSI.
- Tax and PRSI is not deducted where payments are made for services to a person or company registered as self-employed. In such cases, payment is only made on foot of a proper VAT invoice.
- Tax is not deducted for "once off" lectures / interviews to non-school personnel. However, such payments are subject to self-assessment.
- As an employer, the school is obliged to complete and file documentation required by the Revenue Commissioners and to make prompt payment of monies due for tax and PRSI.
- Payments for interview costs will be paid by voucher only, receipts will be furnished to the Secretary for recording and filing.

Petty Cash:

A proper petty cash system should be operated.

- Only small amounts of incidental day to day expenses (up to €20.00) should be discharged through petty cash.
- An imprest system for petty cash should be operated.

- For control and security reasons, the amount of money held in petty cash should be kept to a maximum of €100.00.
- A detailed record of petty cash should be retained in the school and signed on a regular basis by the Principal.

2. Controls over Income/Receipts

Number of Bank Accounts:

- The number of school bank accounts must be kept to an absolute minimum. All monies received for the benefit of the school should be lodged in the main school bank account. The maintenance of proper books and records in a standardised format will facilitate the analysis of the sources of income and patterns of expenditure. This reduces the need for separate bank accounts for the various sources of funds.
- While it is desirable that all accounts should be held in the same branch of the same bank, there may be circumstances where the Board might decide to open a deposit or investment account in a different institution where rates of return are higher. All transactions and transfers involving such accounts must be clearly recorded.
- No overdrafts should be entered into without the written approval of the Board of Management.
- All lodgements should be completed promptly using an authorised bank lodgement book. The book should be used in sequence.
- All original bank statements and other related documentation is retained in the school and available for inspection by authorised personnel.

Grant Receipts:

- Most Grant Receipts from the Department of Education and Science are now lodged to the school bank account electronically.
- Grants or money received from the DES in cheque form should be lodged immediately. All receipts should be recorded immediately.

Recording of Receipts:

- All monies received directly by the school or Board of Management should be recorded on receipt and lodged directly to the bank account as soon as possible.
- A signed receipt from a numbered Receipt Book should be issued for any monies received in excess of €10. This applies to all school personnel including teachers collecting money for trips or any other school activity.
- For control purposes, a record of all cash receipts should be maintained usually by the school secretary and reconciled periodically with bank lodgements.

Book Grants:

- A Book loan/rental scheme is the preferred method of the DES for the administration of the "Book Grant for Needy Pupils". However many schools still utilise the Book Grant to subsidise the cost of books or to pay money directly to those in need.

- A report on the operation of the Book Scheme should be presented to the Principal for submission to the Board of Management at the end of each school year.
- Detailed records of money received and expended should be maintained with all transactions passing through the main bank account.

Parents' Councils:

- In many schools, Parents' Councils and Associations provide valuable assistance and support to schools. Many engage in fund-raising for the benefit of the school which should be reflected in the school accounts.
- Where a Parents' Association raises funds in the name of the school the Board of Management must ensure that the Association has adequate procedures in place to safeguard these funds.
- The Parents' Association may maintain its own bank account subject to Board of Management approval and subject to the same control procedures applying to school finances. An annual financial report is presented to the Board at the end of each school year for inclusion in the school's audited accounts.
- To comply with the Education Act, all funds expended by the Parents' Council for the benefit of the school should be channelled through the school account. The funds should first be transferred from the Parents' Council to the school account and then paid out by the school.

Fund-raising:

- Under Section 18 of the Education Act all school income and expenditure including fund-raising income and expenditure should be operated through the main bank account and recorded appropriately in the books of the school.

3. Controls over Commitments

Loans, bank overdrafts, leasing or any other instrument of debt or financial commitment may not be entered into without prior approval of the Board of Management.

4. Controls over Capital Expenditure

(a) Capital expenditure is spending of a once off nature on major repairs or spending on an asset for the benefit of the school. Normally such an asset would have a life expectancy of one year or more and provide a flow of benefits over the longer term. Prior approval from Board of Management is required for all capital expenditure.

(b) Capital funding from the DES is available for approved new buildings, extensions, refurbishment, temporary accommodation and other necessary improvement works.

(c) Fixed Asset Register: A fixed asset register of all assets owned and acquired by the school should be maintained and updated annually.

5. Control over Grants from the Department of Education and Skills

Guidelines for Capitation and other Grants to Schools:

- Many grants, such as the Per Capita and Support Services Grants, are issued to schools on a per capita basis. These allocations are based on the October Enrolment Returns submitted each year by schools.

- These returns should be approved by the Principal and Chairperson of the Board as being an accurate statement of the school's enrolment, subjects and classes at the time of submission and formally recorded at the next Board of Management meeting.
- Some grants to schools are given for a specific purpose and are expected to be spent for that purpose only. In these cases, the Financial Reports and Accounts format should clearly identify the receipt and expenditure of the specific grant.
- The practice of opening different bank accounts for specific grants should be discontinued. It will be relatively easy to determine how a specific grant has been spent if the transaction has been recorded accurately. The school must maintain sufficient supporting documentation to enable the purpose of such discrete grants to be determined and payments from the grant to be tracked.
- All other grants may be spent on any area of school need as determined by the Board of Management.

6. School Accounts

One of the Board of Management's key responsibilities is "to provide and cause to be kept proper books of account" (Articles of Management 15 (a)). Section 18 of the Education Act 1998 states that "the board shall keep all proper and usual accounts and records of all monies received by it or expenditure of such monies incurred by it and shall ensure that in such year all such accounts are properly audited or certified in accordance with best practice."

It is recommended that the school accounting year should be the academic year which runs from September 1 to the following August 31.

While the Principal has the day to day responsibility for management of school accounts, it is recommended that the day to day recording of school accounts be delegated to a dedicated accounts officer who may be an Accounts Secretary / Treasurer / Bursar.

The school's day to day accounts are ideally kept in electronic format.

At the end of each school year, all necessary steps are taken to complete the school accounts for the previous year. All financial information required is handed over to the school's accountant / auditor for certification or auditing by the end of September at the latest. All balances are carried forward for the next school year so that there is no delay in recording transactions.

The draft annual accounts should be returned by the accountant for consideration by the Board of Management by the end of November. Once the Board of Management is satisfied that the accounts are an accurate reflection of the school's financial situation they should be signed and dated by the Chairperson and by one other member of the Board.

The approval of the accounts is recorded in the Board of Management minutes and a copy is forwarded to the Patron for their approval.

7. Aladdin parents payments

It is the school policy to send payment requests to parents through Aladdin.

Through this process, an email is sent to the Parent/ Guardian with a payment link. Once payment is submitted, a receipt will be automatically generated by Aladdin and emailed to the Parent / Guardian.

Any Aladdin payment requests paid by cash, will be recorded by the Secretary and lodged manually to the bank. A receipt will be issued to the parent.

At no time, does Riverview hold parent's / guardians bank details. All transactions are processed through Elavon, which is linked to Aladdin directly.