**Ballymoney National School**

**Finance Policy**

The Board of Management elects a treasurer from amongst its members at the commencement of the new four year term. The Principal and teacher nominee to the Board are not eligible to be elected as Treasurer. Once elected, the Treasurer shall be fully familiar with the requirements of Section 18 of the Education Act 1998 and also with the requirements of Sections 12 and 19 of the Department of Education and Skills Constitution of Boards and Rules of Procedure publications.

**Education Act 1998 S.18 (1)** *‘A 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 each year all such accounts are properly audited or certified in accordance with best accounting practice’*

All proper and usual records must be kept in respect of all financial transactions of Ballymoney National School. The Board of Management must satisfy itself that proper internal controls are in place for all financial transactions. Proper record keeping of the school accounts is essential to ensure that accurate information is available to the Board on a regular basis, to ensure that decision making by the Board is based on accurate information and to ensure that the Board can fulfil its responsibilities as a Board of Management.

**Duties and Role of the Treasurer**

Keep and maintain accounts

Lodge monies to school bank account

Arrange for payments

Calculate Payroll

Comply with Revenue Commissioner’s requirements

Liaise with School Accountants

Prepare Yearly Budget

Analyse information

Prepare monthly bank reconciliation

Present up to date statement of Accounts at each Board Meeting

Prepare yearly Income and Expenditure at the end of each year

The financial year of Ballymoney National School is from August 1st to July 31st each year.

All financial matters are deemed confidential unless agreed for disclosure under the agreed report at the end of each Board of Management meeting. This includes post term confidentiality and disclosure.

Financial records may be kept by computer spreadsheets or a software accounting package and should be password protected. A separate back up should be taken at regular intervals.

Accounts should be certified as soon as possible after the financial year ends.

The school bank account shall be used solely for the purposes of the schools banking requirements.

Ballymoney National School does not operate a Petty Cash system.

A Parent Teacher Association Income and Expenditure file is to be maintained as part of school accounts. An up to date statement is to be presented at each PTA meeting and a copy given to the Chairperson and Secretary of the Parent Teacher Association. One copy should be attached to the minutes of the meeting.

**Income**

All monies are to be collected regularly by the Treasurer in person and lodged as soon as practicable to the school bank account with the provided lodgement card. On collection of money at the school, the Secretary will record the amount given to the Treasurer in the school lodgement book and details of breakdown of income. All monies and details must be verified by the Treasurer and signed for in the school lodgement book before removal from the school premises.

Any monies received for lodgement directly from fundraising events outside of school hours should be verified by another member of the Parent Teacher Association at the event in question. The Secretary and Principal should be informed of such monies at the earliest opportunity and the school lodgement book filled and signed on the next available school day.

Once lodgement has been made, details of type of income should be recorded on the back of lodgement slip and kept in a safe place until the bank statement has been received for the month in question and the lodgement slip should then be attached to it.

Grants received by the school throughout the year are directly lodged to the school bank account. Revenue payments are also paid directly into the bank account through Ros.

Details of all income either by manual lodgement or directly to the school bank account must be recorded on the computerised income sheet – date, source, amount and category of income.

Lodgements may be made by the school Secretary but only in exceptional circumstances.

Ballymoney National School does not presently accept income by card transaction or by banking on line.

All cheques received should be crossed and made payable only to Ballymoney National School.

Parents will be given a receipt for any money handed in for school activities, e.g. school tours.

**Payments**

Payments for any type of expenditure are not to be made without supporting documentation.

**Payments by Cheque** – Cheque payments must be authorised by two of the four nominated signatories of the Board of Management, one being the Chairperson and the other, the Treasurer in the first instance. The Chairperson may nominate another signatory in his or her absence. Where possible, the two signatories should be from two different categories of Board Members. All cheque payments are recorded – date, payee, amount etc. on the cheque stub and on the Secretary’s cheque listing sheet. At the end of each month this listing is available to the Treasurer to complete the monthly bank reconciliation and to maintain the school accounts.

Cheques are not to be made payable for cash and blank cheques are not permitted.

Reimbursement for items purchased by individuals on behalf of the school are paid by cheque on receipt of invoice. Where possible, such expenditure should be pre authorised by two Board Members and limited to exception rather than the norm.

**Payments by Visa/Debit Card –** Payments by card for goods are made by Teaching Staff out of school hours and the school Secretary for bills to be paid within school hours. Card payments are the preferred method of payment as it is more cost effective than cheques. To ensure accountability, a record is maintained by the school Secretary of payments made over the phone. Each payment is verified by a Board Member. At the end of the month this record and copies of invoices for such payments is available to the Treasurer to complete the monthly bank reconciliation and to maintain the school accounts. Receipts of expenditure by teaching staff are also forwarded to the Treasurer each month and attached to the bank statement. A record of the type of expenditure should be written on these invoices where possible to assist the Treasurer in allocating the expenditure to the correct category. A separate list of all card transactions is to be maintained by the Treasurer within the school accounts.

Cash withdrawals from the school bank account are not permitted except in exceptional circumstances.

**Direct Debits –** Certain direct debits for Phone and Esb etc. are debited automatically each month. Invoices for these transactions are available to the Treasurer from the school each month to complete the monthly bank reconciliation and to maintain the school accounts.

**ROS –** Revenue payments such as Vat, RCT, P35 are processed through Ros and leave the school bank account directly. All subcontractor payments are not to be paid until Revenue approval has been granted though Ros.

**Bank Charges** – Bank charges are normally quarterly or when a new cheque book is issued. The Treasurer should analyse for any increased charges.

Details of all expenditure either by cheque, card, direct debit, ROS and bank charges must be recorded on the computerised expenditure sheet – date, type, amount and category of expenditure.

**Record Keeping**

After the first week of the month, a copy of the previous month’s bank statement is available from the school. A copy is held in the school for the Secretary to cross check lodgements/income with the school lodgement book and any anomalies should be discussed with the Treasurer. All information pertaining to that month’s accounts may also be removed from the school at this time if not already done so - Eg. cheque listing, school card payment listing, card payment invoices, general invoices, direct debit invoices, bank charges, grant payment notifications etc.

A monthly bank reconciliation is to be prepared as soon as possible to highlight any queries which can then to be addressed to the school Secretary or Teachers for clarification.

Each individual income and expenditure for the month must be recorded on the income and expenditure computer sheets. Any outstanding uncashed cheques should be recorded. There should be supporting evidence for all transactions which must be attached to the bank statement. Department grants received in the month should also be kept in a separate file. Each month should be filed separately when complete and in a secure location. A regular back up must be taken of computer records.

The Treasurer should analyse income and expenditure throughout the year for over expenditure or under utilisation of funds.

**Payroll**

A payroll run must be completed each month for school employees. Details of hours/payments are to be made available to the Treasurer by the Secretary and verified by the Principal before payment is made. The payroll is processed by an online computer package which is password protected and paper payslips are to be provided to the employees each month on completion of the payroll run. Payment is presently made by cheque. Copy payslips are also to be kept in the school in a locked cabinet. P60’s are to be given to employees after tax year end but no later than February 15th each year.

Holiday accrual is also maintained by the Treasurer and arrangements should be made to pay hours due at the end of June or in July each year. All payroll matters are to be dealt with in the strictest confidence by the Treasurer and the Board of Management.

The P35 Return is to be completed and returned to Revenue each year by February 15th through ROS. Payment for any monies due must be paid though ROS by February 23rd.

**Revenue Requirements - ROS**

Revenue on Line or ROS for short is used to make several returns to Revenue throughout the year and to download information pertaining to employee payroll calculations. The Treasurer is responsible that all returns and downloads are done in a timely manner.

Access to ROS is held on one school laptop only and is password protected for confidentiality.

Revenue Returns / Correspondence for Ballymoney National School include –

P2C’S – Employee Tax deductions cards – start of new tax year and periodically

P35 – Yearly Paye/Prsi/Usc return for employees – no later than mid February

Charitable Donations - Claims for relief on donations to eligible charities – once a year

Vat3 – Subcontractor Vat returns – 2 monthly

RCT – Relevant Contracts Tax returns from Subcontractors – monthly

The Treasurer should keep informed of Revenue changes which are applicable to the school. The Board of Management and the Treasurer should also be familiar with the requirements regarding the operation of Relevant Contracts Tax/Value Added Tax. There are guidance notes for Board of Managements available to download on the Revenue website.

Payments to Revenue are made through ROS Debit Instruction by the Treasurer. Copies of all correspondence with ROS are held in the school premises in a locked cabinet.

**Board of Management Meetings**

The Treasurer should attend all Board meetings where possible. An up to date statement of accounts should be prepared prior to the meeting. An up to date income over expenditure for the year to date and running balance in each category of income and expenditure should also be available to the meeting. This is to assist the Board of Management in forward planning and decision making. Any other relevant observations regarding the financial situation of the school accounts should be advised to the Board of Management.

**Start of Year**

A draft budget for the year ahead should be prepared at the start of each school year by the Treasurer. This is to then be finalised and approved by the Board of Management at their next meeting. Projected income and proposed/expected expenditure should be included based on previous income and expenditure and current circumstances.

**End of Year**

A yearly income and expenditure balance sheet should be prepared by the Treasurer at the end of each school year.

Arrangements are to be made for school accounts to be sent to the school accountants as soon as possible after year end for certification.

The completed accounts for each year are to be stored securely by the Treasurer until the end of the current term.

At the end of the Treasurer’s term, all records and documentation – computerised and hard copy, along with any lodgement cards, passwords etc. shall be passed in total to the newly elected Treasurer. A handover period may be exercised subject to approval by the Board of Management on a phased out basis until the end of the current school year.

This Finance Policy is to be made available by the Board of Management to the newly elected Treasurer on their appointment to the position of Treasurer.

The Board of Management shall also endeavour to ensure ongoing compliance with the duties and procedures detailed in this policy and to provide any assistance necessary to the Treasurer to enable them to fulfil their position as Treasurer.

This policy was approved and adopted by the Board of Management of Ballymoney National School on the

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2015.

Chairperson: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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