



Circular Letter 0062/2013

DEPARTMENT OF EDUCATION AND SKILLS

School Building Unit

To: The Boards of Management and Principals of National Schools

Grant Scheme for Minor Works to National School Properties

1. REVISED SCHEME

The Minister for Education and Skills has reviewed the devolved grant scheme for minor works to national school properties which first came into operation in 1997. Under the revised scheme, funding will be made available to all primary schools with full recognition on the following basis:

- (a) **€5,500 basic grant plus €18.50 per mainstream pupil and €74 per special needs pupil on the rolls on the 30th September of the year prior to the issue of the grant. (The €74 rate applies to a special needs pupil attending a special school or attending a special class attached to a mainstream school);**
- (b) **The grant will only be paid in future years as funding permits.**

Schools should be aware that any future grant payments may be withheld from schools where grant aid is accumulating or where expenditure plans are vague or do not comply with the purposes of this scheme. Schools should **not** apply to the Department for grant-aid for works covered by this scheme.

2. WORKS COVERED UNDER THE SCHEME

The funds being transferred to the schools must be spent on the physical infrastructure of the school or on items of furniture and equipment for educational use including IT related equipment. Works covered include:-

- improvements to school buildings and grounds (*Items such as the replacement of windows, roof repairs, re-surfacing of school yard, re-painting and re-decorating, improving insulation standards and improving access for all qualify under this heading*);
- improvement or replacement of mechanical and electrical services;
- the purchase of standard furniture and physical education equipment;
- the purchase of floor coverings and window blinds;
- the purchase of IT related equipment (*Items such as computers, printers, overhead projectors and photocopiers qualify under this heading*).

Schools need not apply to the Department for approval to carry out works or to purchase items covered by the scheme.

3. WORKS NOT COVERED UNDER THE SCHEME

3.1. Additional Classrooms.

All proposals relating to the provision of additional classroom accommodation should continue to be referred to the Department for approval.

3.2. Non capital expenditure

The grant may not be used for items of a non-capital nature. This includes payment of wages or salaries, payment of bills such as ESB and telephone accounts, water rates, purchase of oil etc.

4. ADMINISTRATIVE ISSUES, RECORDS AND AUDITING

The grant will be paid directly into the school bank account. As with all exchequer grant-aid, school authorities must be able to provide detailed records on how funding, provided under this scheme, was spent. In addition, schools must be able to prove that expenditure was on works allowed under the scheme. All expenditure in connection with the scheme must therefore be vouched. Invoices and receipts must be retained in the event of an audit inspection by the Department and/or the Comptroller and Auditor General. It is necessary for schools to keep details of quotations received, invoices, receipts and any other relevant records in respect of all expenditure for a period of seven years. Schools should note the dates on which works were carried out and completed. **Appendix A contains details of the nature of records to be maintained.**

Schools, on request, must provide the Department with a written statement of the expenditure of the grant and any remaining balances and other relevant information that may be required. If a school closes permanently, any balance held in the account must be surrendered to the Department on the date that the school ceases operation. **The Department reserves the right to withhold future payments to schools for non-compliance with any of the terms of this Scheme.**

5. VESTED AREA

The funds should only be used for work to facilities within the vested area of the school.

6. AUTHORITY/RESPONSIBILITY

This Grant Scheme devolves authority to Boards of Management for the execution of minor works. Responsibility for the proper execution of works will also rest with the Boards of Management.

7. EXECUTION OF WORKS

Schools must organise the execution of the works covered under the scheme in accordance with public procurement procedures, and pay the bills themselves. Schools already hold a copy of the Department's maintenance manual, "*Maintenance Matters*" which was compiled to assist schools in relation to the procedures for the execution of works (Manual also available on Department's website). School authorities should refer to the procedures contained in this manual before authorising any expenditure under the scheme. Chapter 9 provides information on statutory approvals, tenders, contracts and tax clearance. School authorities should also be aware that building contractors must be members of the Construction Industry Federation (CIF) Pension/Sick Pay Scheme or equivalent. **Appendix A summarises the details of tender procedures that should be followed.**

The Local Government (Planning & Development) Act 1999 deals with the protection of architectural heritage. It came into operation on 1st January 2000 and applies to structures and lands listed as, or under consideration to be listed as, protected structures within the meaning of the Act. Boards of Management should check with their local planning office or seek expert professional advice if they intend to carry out works to school buildings and grounds, which come under the terms of the Act.

8. TREATMENT OF ASBESTOS

A guidance document titled "Duties and Guidance for Board of Managements on dealing with Asbestos containing materials before, during and after School refurbishment works, demolitions and building works projects" is available on the Department of Education and Skills website: <http://www.education.ie/en/Schools-Colleges/Services/Building-Works/Remediation-Programmes/Asbestos-Guidance-for-Boards-of-Management-when-dealing-with-Asbestos-containing-materials.pdf>

Board of Managements must adhere to these guidelines when dealing with Asbestos containing materials and you should bring this to the attention of your Consultant.

It is essential that once appointed the PSDP and Project Consultant (as a first step in the design process) review the School's Safety File to establish the position relating to any health and safety issues such as the presence of asbestos. The Board of Management must obtain written confirmation that the PSDP and Consultant are aware of the contents of the School's Safety File and the School's Asbestos Register. This requirement is to comply with Health and Safety

Legislation and protect the Board from the possibility of criminal prosecution. Where there is a possibility of asbestos in the area of the school which will be affected by the works a Pre-refurbishment / Demolitions Survey (formerly a Type 3 Survey) may be required. This includes the following circumstances:

1. where the school building was built prior to 1990 and
2. where the School Asbestos Survey indicates that the approved works will interfere with asbestos containing materials or
3. where it is known or suspected that the approved works will interfere with asbestos containing materials

9. SCHOOLS HOUSED IN RENTED ACCOMMODATION

Where works are required to schools housed in rented accommodation, Boards of Management should ensure that they do not contravene the terms of the lease.

10. STATUS OF CIRCULAR 0141/2006

This Circular supersedes Circular 0141/2006 which is hereby withdrawn.

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Tender Procedures and Record Maintenance

The Board of Management must establish a set of procedures governing purchasing and should set out the arrangements for tendering and buying of goods, payment of invoices and maintenance of accounting records.

Purchasing

- A purchasing policy needs to strike a balance between quality and cost, as the cheapest is not always the best. However, tender documents should clearly specify criteria for awarding contract and these may not be deviated from during award process.
- Boards of Management must take reasonable steps to satisfy themselves that suppliers and contractors engaged are reputable and competent.
- In all cases, where a contract (verbal or written agreement) is to be awarded for the supply of goods or services and payments under the contract are likely to exceed €10,000 (inclusive of VAT) in any twelve-month period, the contractor is required to produce a valid tax clearance or a certificate demonstrating a satisfactory level of subcontractor tax compliance. Further details on appointing contractors can be found in Chapter 9 of “*Maintenance Matters*”.
- All purchases under the scheme should be made with the consent of the Board of Management.
- A file containing evidence of the tendering and quotation procedures actually followed must be retained for inspection if required.

Tendering Procedures

- Seek a minimum of at least 5 quotes in writing or my email so that a minimum of 3 written quotations will be received
- The invitation to tender must be issued directly to firms that would be capable of carrying out the contract or supplying the goods and are of reputable standing.
- A date for receipt of tenders must be specified.
- All tenders should be opened at the same time by two people nominated by the Board of Management.
- A report of each tendering procedure and reasons for selection should be retained by the Board.

Tax Compliance

Boards of Management should note that changes in relation to the operation of Relevant Contracts Tax (RCT) which is a tax regime applicable to construction contracts in which tax is deducted from payments for construction operations due to the contractor by the principal contractor. RCT usually applies to main contractors in their dealings with sub-contractors. However, the Revenue Commissioners have recently indicated that School Boards of Management are now to be regarded as “Principal Contractor”. This means that the Board of Management will be responsible for complying with RCT requirements and VAT returns when making payments to the contractor. The Revenue introduced a mandatory electronic RCT system on 1 January 2012 for all principal contractors in the RCT system, so all filings and notifications must be done online through the Revenue ROS system.

The Revenue Commissioners have prepared a Guidance Note to assist Boards of Management with the operation of RCT and Reverse Charge VAT and this guidance note is available on the Revenue Commissioners Website and can be accessed by following this link: <http://www.revenue.ie/en/tax/rct/guidance-boards-rct-vat.pdf>

The Board of Management are also asked to ensure that:

- the Tax Clearance rules* are adhered to, and
- Arrangements for the engagement of individuals or businesses to work in or on the school premises or directly in connection with school activities, even on a once off basis, fully support the need for timely and full compliance with tax return filing and payment obligations by such individuals or businesses.

*Tax Clearance Certificate or a certificate demonstrating a satisfactory level of subcontractor tax compliance are required in relation to all public sector contracts of a value of €10,000 (inclusive of VAT) or more. See www.revenue.ie for further details.

Payment of Invoices and Accounts

- A suitable system of receiving and checking goods and services should be maintained.
- The Board should establish procedures for payment of bills.
- Invoices should be clearly stamped as “PAID” only when paid. Schools are advised that self-inking/pre-inked/rubber stamps with ink pads are suitable for this purpose.
- Bills should be paid immediately upon receipt.
- Payments should only be made on receipt of original invoices – not on receipt of statements or photocopied invoices.

Records to be maintained for inspection

- Tender documents (successful and unsuccessful).
- Documentation of quotations (whether received in writing or over the phone).
- Evidence of the evaluation/approval/acceptance of tenders.
- Evidence of compliance by contractors/companies with Tax Clearance Procedures (where relevant).
- Evidence of compliance by building contractors with the requirements of the Construction Industry Sick Pay Scheme (where relevant).
- Order forms (if appropriate).
- Delivery dockets.
- Invoices.
- Cheque book stubs.
- Bank Statements.
- In addition to the above items, the Board should ensure that there is some form of accounts, whether on computer or in manual format with expenditure of the grant being balanced on a regular basis to take account of the grant received, cheques cashed and outstanding cheques.