Appendix 2

**Fees & Tax Compliance**

**Fees for Consultancy Services**

Following receipt of the letter of approval from the Department and prior to the return of the signed form of acceptance School Authorities must now tender for a Consultant qualified in the appropriate discipline to carry out the approved works.


For all construction projects it is a legal requirement to appoint a competent person to act as Project Supervisor (Design) Process. This is a separate appointment with a separate fee that should reflect the nature and complexity of the project. (See Project Supervisor (Design) Process in Guidance on Procuring Consultants for Small Works). The Consultant engaged to provide the main service may also act as PSDP if competent.

The grant being provided for this project is inclusive of all fees and requests for additional fees/project costs incurred as a result of uneconomical fees being tendered will not be considered.

Failure to tender for a consultant to carry out the approved works in compliance with the Department’s Guidance on Procuring Consultants for Small Works may expose the School Authorities to challenge and subsequent financial penalties from a consultant who feels he/she was not afforded an opportunity to tender. Any such challenge would also result in the project being substantially delayed.

As this is a devolved project the School Authority will be responsible for any challenges that may arise due to a failure to comply with the relevant guidelines.

**Tax Compliance**

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 Relevant Contracts Tax (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](http://www.revenue.ie/en/tax/rct/guidance-boards-rct-vat.pdf)

The School Authority is 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](http://www.revenue.ie) for further details.