



"Serving Parents
for 60 Years"

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**A SIMPLE GUIDE TO
MONEY MATTERS**

If love of money is the root of all evil, money is certainly the source of most problems in schools. In general schools get money from three sources and each involves a different level of parental involvement.

Schools get money from:-

1. the local authority
2. the PTA/Parent Council fundraising
3. school events like the sale of photographs.

Money from the local authority

This is the largest amount of money - often well over a million pounds - and it is provided to run the school, to pay for the building, the staff, and the books and equipment which children use. Under devolved school management¹ the headteacher is in charge of how this money is spent. In many ways it's merely a matter of paying the bills as the headteacher has to make sure that there are adequate staff, that the school is properly heated and lit, and that there are appropriate books etc. However, the headteacher has a little flexibility - s/he may, for example, decide to employ two classroom assistants rather than an extra teacher or vice versa. S/he may decide to spend extra money on the school library or on some new computers. The headteacher makes these decisions in consultation with her/his staff and s/he is also meant to discuss it with parents, most likely through the Parent Council.

¹ See also SPTC leaflet, *A simple outline of Devolved School Management*

Fundraising² by the PTA/Parent Council

Parent Councils get some money from the Local Authority for administrative purposes, but traditionally parents put a lot of energy into raising funds to support the school and pupils. In these circumstances, it is the parents through the PTA committee or Parent Council, who have the final responsibility for both raising and spending this money. The amounts raised vary enormously from school to school with small and/or primary schools usually being far more successful than big and/or secondary schools. These monies are raised on the understanding that they will be spent to benefit the children, so the PTA/Parent Council cannot simply keep the money in the bank and does have a duty to report back to all parents on how it has been spent.

The best way to manage the money is for the PTA/Parent Council to ask the headteacher and staff for a list of things they would like to buy. The PTA/Parent Council can then choose which ones they want to support and give the money to make these purchases. It is usually best to allow the school to make the actual purchase as they can make savings on VAT. The PTA/Parent Council may decide to keep some money to support their own pet project - maybe a school outing or new football strips. However, it is important that:-

- the decision on how all the money is spent remains with the PTA/Parent Council
- PTA/Parent Council buy things the school actually wants
- a full report is given to parents on how the money was spent
- PTAs also need to keep some money for administrative purposes to make sure that no one is out for pocket as a result of their hard work.

Handling PTA/Parent Council funds

It is important to have very clear arrangements for handling money so that everyone can have confidence that it is being done properly and so that the committee, particularly the Treasurer, is not open to misplaced charges of fraud.

It is good practice to:-

- have at least two people counting money
- keep scrupulous records
- require two signatures on cheques
- have the accounts audited by someone not on - or related to anyone on - the committee .

If, despite your best efforts, things do go wrong and you have membership insurance through SPTC, you are covered against fraud by the Treasurer or a Committee member. However, all such incidents must be reported to the police before you can claim on the insurance.

School monies

The school itself may raise money by sponsored events, concerts or by selling school uniforms etc. This money is for the headteacher and staff to decide on. Parents do not have a right to comment.

Charitable Status³

You get charitable status by applying to the Office of the Scottish Charity Regulator (OSCR) and convincing them that your purpose is charitable. You need a proper constitution with an object clause which demonstrates charitable purposes and will satisfy the requirement for providing public benefit. Charitable status imposes certain obligations on the committee and a requirement for accounts to be properly audited and submitted annually to OSCR. It is of

² See SPTC leaflet *Fundraising ideas for PTAs and Parent Councils*

³ See SPTC leaflet *A simple guide to getting charitable status*

limited value unless you want to take advantage of Gift Aid, when you would need to keep accurate records of all donations. Charitable status does not exempt you from VAT. Some PTA/Parent Councils want charitable status because they have been offered grants; SPTC members can channel such grants through SPTC using our charitable status. In general the benefits of charitable status are limited and the burdens are quite considerable. It is not worth undertaking unless you are serious. Once granted, you cannot change your mind easily.

Other leaflets available

1. What is a PTA?
2. What is Parent Council?
3. A Model Constitution (PTAs)
4. A Model Constitution (Parent Councils)
5. Charities, Constitutions & Confusion
6. Money matters
7. The Qualifications Mystery Tour!
8. Advice on Disclosure Checks

ABOUT S.P.T.C.

You may be interested to know that our membership insurance scheme covers:

- Public Liability
- Personal Accident
- Fidelity Guarantee
- Employer's Liability
- Extended Public Liability for hired-in entertainers
- All-Risks (for equipment purchased by the PTA/Parent Council)
- Short-term all-risks insurance for special events.

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Scottish Parent Teacher Council, the independent voice of parents, is a national organisation. It has been serving parents' groups in schools for 60 years. For further information and membership forms
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