

9. FINANCE AND CHARGING FOR OFFSITE ACTIVITIES

9.01 Terminology

A Charge is any sum payable by a parent/carer for an optional extra to which they had agreed or for board and lodging. It is recoverable as a civil debt.

- The establishment should divide costs equally among all children and young person, and ensure that charges on some are not used to subsidise others.
- The establishment **should not**:
 - make any profit from any charges made;
 - charge for alternative provision for any young person not attending;
 - charge if the activity is a statutory curriculum requirement.

A Voluntary Contribution is a sum of money that an establishment has asked parents/carers to pay on a voluntary basis. Establishments can request voluntary contributions for any activity. In so doing they must ensure that:

- the contribution is genuinely voluntary;
- children and young people are not treated differently because their parents/carers choose not, or are unable, to pay.

9.02 Subsidising Activities

An establishment may also subsidise an activity from their own the funds, providing that the subsidy is in line with the establishments charging policy. It is also always possible for activities to be funded entirely by voluntary contributions provided the above criteria are met.



9.03 Charges or Voluntary Contributions?

It is for establishments to decide on the appropriate balance between Charges and Voluntary Contributions, but in considering this they might find it helpful to consider the following:

- decide whether the activity will be classed as being in establishment time or out of establishment time. Activities that occur immediately before or immediately after or extend beyond the “normal” establishment hours are usually considered to be in establishment time unless they take place during establishment holiday periods.
- ensure that parents/carers are fully aware of the nature and value of the activity and the nature and amount of funding required.

- Schools should consider the requirements of the specific legislation in the 1988 Education Act (see below).
- ensure that the necessary level of funding is available before the establishment is financially committed.

9.04 What can be Charged by Schools

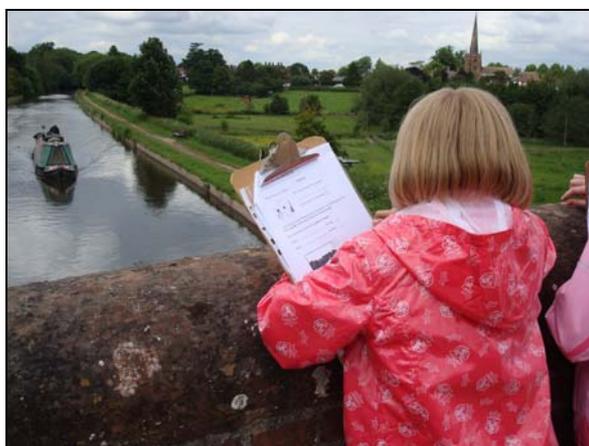
The charging provisions of the Education Act 1988 contain the following in respect of schools:

Where an activity is part of the syllabus of a prescribed examination or is required to fulfil statutory duties relating to the National Curriculum (i.e. field studies courses for any GCSE or 'A' level courses), or for religious education, then the activity **must** be paid for by the school including all transport and tuition costs (including teaching materials).

- Charges can only be made for
 - board and lodging;
 - Activities which take place outside establishment hours; i.e. during the weekends or establishment holiday periods.

9.05 Voluntary Contributions by Parents/Carers

Voluntary contributions are the most effective, reasonable and easiest way of funding most offsite activities.



Establishments relying on voluntary contributions from parents/carers in order to fund an activity should make this clear at the outset in order to avoid disappointment should parents/carers decide not to pay.

In such cases establishments may decide to use their own funds to cover the costs of those who cannot or who are not prepared to contribute.

Where a voluntary contribution is asked for to cover the costs of an offsite activity which takes place during the normal establishment day all pupils concerned have a legal right to attend that activity whether their costs are paid or not.

When considering voluntary contributions Establishments should advise parents/carers that if insufficient voluntary contributions are received then the visit may have to be cancelled. Establishments should also advise parents/carers that in the event of cancellation due to insufficient funds being received any money paid to a tour company or

to an activity provider up to the point of cancellation might be not be recoverable.

9.06 Outside Agencies

The requirements on what parents/carers can and can't be charged do not apply if an outside agency is charging parents/carers. This is of limited use to Establishments as a practical way forward. **The Establishment must have no connection with the outside agency and it could not, therefore, initiate an offsite activity arranged in this way.**

Anyone attempting to contrive a situation which allowed a Establishment to initiate an activity and subsequently charge parents/carers through an outside agency would be at risk of breaking the law.

9.07 Financial Planning

The Group Leader should ensure that parents/carers have early written information about the costs of the visit and inform the parents/carers in sufficient time for them to prepare financially for the visit such information should include:

- the cost of the visit;
- how much will come from establishment funds if any;
- how much each parent will be charged or asked to contribute;
- what is included within the cost of the visit;
- what is not included within the cost of the visit.

The Headteacher/OVC should ensure that suitable banking arrangements are in place.

The Headteacher/Head of establishment/OVC and Group Leader should also reach a pre-agreement on whether any small amount of funds left surplus after the visit will be returned to parents/carers or retained for further visits. **(the Group Leader or the Establishment should not set out to make any financial profit).**

The Group Leader should prepare a financial statement of the visit for auditing purposes by the Headteacher/governing body or Service Head. A copy of this may be requested by parents/carers.

9.08 Value Added Tax (VAT)

VAT is not incurred on visits abroad, coach hire or fares on public transport. Most of the other purchases that schools/services are likely to make in connection with offsite activities will incur VAT. This includes, for example:

- accommodation (if purchased on its own);

- admission to museums, stately homes etc;
- petrol for minibuses or private cars;
- printing, photocopying, purchase of maps and other materials directly attributable to an offsite activity which are bought in;
- costs associated with pre-visits by staff to a venue.

9.09 VAT on Residential Visits

VAT on residential visits can be reclaimed provided **all** the following conditions are met:

- The establishment is using private accommodation. That is, the accommodation is not operated by a local authority;
- The establishment is providing their own tuition or tuition is purchased at non-profit making establishments such as Lakeside YMCA Centre, Out of Town Centre or Tirabad Residential Education Centre. Under some limited circumstances tuition can be purchased from commercial companies.
- The activity is non-profit making;
- The supplier is registered for VAT and provides a VAT invoice;
- The bill is paid through the schools/services delegated budget - not private funds of the establishment.

Please note: Inclusive Packages. An inclusive travel package will have an element of VAT included in the cost. Tour operators sometimes cannot show this VAT separately on invoices and, therefore, it cannot be reclaimed. If you are unsure whether this applies to a particular supplier it is important that you ask them before you are committed.

If you can reclaim VAT on a residential activity you should not include VAT in your charges to those going.

It should not be the intention of visits to make a profit.

9.10 Procedure for Reclaiming VAT on Residential Visits

All invoices relating to the visit which include VAT must be paid through an official Council bank account (that is an imprest account, a local bank account or through the Accounts Payable system) and charged to your delegated budget so that payments appear on the financial print out. VAT cannot be reclaimed in any other way.

The contributions made by those going on the activity should be paid directly into the Council funds through your main budget cost centre code

Keep all the records relating to the finance of the visit in a safe place for at least six years beyond the current financial year, in case Customs and Excise or the Council's auditors wish to see them.

