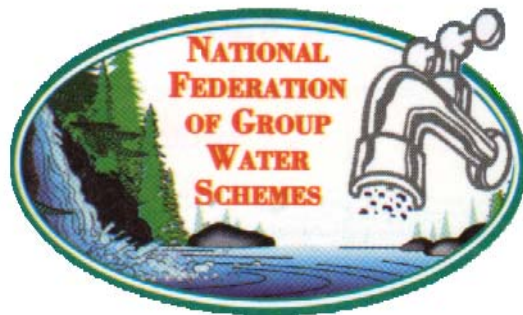


A Guide for GWS in Keeping Proper Records.



INTRODUCTION

Qualifying expenditure for the purposes of the subsidy is non-capital expenditure incurred by the Group Water Scheme on the operational costs of supplying domestic water to the members of that Scheme.

In this leaflet guidelines are set out as to how you might categorise your expenditure.

Suggested Accounting Headings

- ✓ Maintenance
- ✓ Materials
- ✓ Advertising & Stationery
- ✓ Administration & Management
- ✓ Expenses
- ✓ Insurance
- ✓ Accountancy Fees
- ✓ Contributions to NFGWS
- ✓ Electricity
- ✓ Bank Interest & Charges
- ✓ Water Testing Costs
- ✓ Sundry Expenses
- ✓ Pump Replacement
- ✓ Preparation & Implementation (non-capital element) of a water improvement plan

Maintenance

- Payment to any employee on contract basis, full-time or part-time employees
- Travel for committee members who maintain the GWS on a voluntary basis can be included here, as it is a maintenance cost. (Normally at the rate of 63 cent per mile).
- Payment for hiring of any equipment, etc.
- Any payment to any contractor, e.g. electrician, plumber or engineering service.
- Travel & subsistence paid to maintenance personnel, e.g. for attending training courses, etc.

Bank Interest & Charges

The exact costs of these can be found on the bank statements.

Materials

- Any supplies purchased from companies, e.g. pipes, fittings, etc.
- Any materials purchased for any reason in order to maintain the GWS
- Any treatment materials, etc.
- Purchases of meters may be included in the current expenditure accounts. Expenditure of this nature is to be encouraged on water conservation grounds.

Advertising & Stationery

- Any advertising costs, e.g. notices in local papers informing members about the AGM or any other meeting.
- Any stationery purchased, e.g. writing paper, note paper, envelopes, files, pens, any other office supply; necessary to run an efficient GWS.

Rent Collectors/Collectors of Capital Contributions

Very often those who collect rent of capital contributions do so on a voluntary basis. The least the GWS can do is reimburse the collectors for expenses incurred in collecting money. An acceptable rate to the Revenue Commissioners would be 0.63 cent per mile.

Administration & Management Expenses

- Included here are fees of the Secretary and/or Treasurer (if fees are payable).
- Postage (receipts) & Telephone – sometimes taken as 1/3 of domestic annual rate.
- T&S of those responsible for the management of the GWS.
- T&S of those who represent the GWS at various meetings, etc.
- An office allowance, if agreed, usually to those who use their home on an ongoing basis for the effective management of the GWS (will vary depending on the size of the GWS)

- Include any secretarial services you have used, e.g. photo-coping, typing, etc.
- Legal costs in relation to the GWS, e.g. solicitors/barristers fees, costs associated with acquisition of land, etc.

Insurance

- Include costs of public liability insurance, employers liability insurance, etc.
- Also include costs of road opening licence, etc. paid to the local authority for road openings, etc.

Accountancy Fees

- Include the cost of final audit of accounts.

Note:

For Limited Companies and Friendly Societies the services of a recognised auditor will be required.

For GWS that operate as a Trust it is **not** mandatory that you use the services of a recognised auditor.

- Include fees paid to anyone involved in the preparation of the accounts.

Federation Contribution

Your contribution to the NFGWS is a legitimate expense. Return the copy of your receipt issued by the NFGWS as proof of payment.

Electricity

This speaks for itself – keep all bills, etc. as proof of payment

Costs of Water Testing

The payment of subsidy is contingent on your GWS ensuring you are taking corrective action. Water should be tested on a regular basis. There are private companies who provide this service for a set fee.

Alternatively, your local Health Board will test water. Then testing ensure proper procedures are carried out in order to guarantee quality of test.

All costs associated with testing are legitimate expenditure under the subsidy system.

Sundry Expenses

- Include expenditure that you feel does not clearly fit into any other category, e.g. contributions to local hall committee for use of premises for meetings.
- Costs associated with holding the AGM.
- Miscellaneous

Pump Replacements

A pump is a necessary piece of equipment to ensure daily supply of domestic water. The life of a pump in a GWS cannot be guaranteed. A pump replacement will be allowed under the terms of subvention.

Operating costs should include normal repairs or replacement of plant and fittings.

As depreciation is not an operation costs but a capital related cost, depreciation should not be included.

General Guidelines

- Obtain receipts/invoices/statements for all transactions.
- Make **all** payments by cheque. Do not have any cash transactions. Record the date of payment, cheque no., etc. Use a cheque journal.
- All expenditure must be vouched for, i.e. evidence of transaction.
- When an individual is being paid keep a cheque payment record.

NOTE: Two members of the committee should witness payment.

- e) For people employed on a contract basis you may pay up to €3,800 in any tax year. Please note in this case the onus is on the payee to declare this income for taxation purposes. After the first €3,800 the Revenue Commissioners must be contacted.

For further information, please contact your local Development Officer.

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