## SCCblack(2tier)

Suffolk Schools

Financial Year-end Procedures

2020-21

## This detailed guide is for headteachers and all staff who administer school financial systems. A timetable and a Listed Entry FAQ which includes some extra guidance, will be issued to schools annually in March. These can be accessed on Suffolk Learning:

## [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

## More experienced staff may not need the level of detail contained in these procedures and may therefore find the timetable document sufficient. Any schools converting to an academy should note that Year-end procedures and deadlines still apply.

The sections are as follow:

## **Section 1** is an introduction that gives a general overview of the Year-end process and contains important information which will be particularly useful to school management.

## **Section 2** contains details of the documentation and support available to schools.

## **Sections 3 and 4** specifically concentrate on Listed Entries and should be read carefully due to the potential implications for Year-end balances.

## **Sections 4-9** concentrate on detailed guidance notes related to FMS6 input. Year-end transactions etc. and will be particularly useful to school staff working on financial administration.

* **Section 9** details the Year-end reports that must be submitted to the LA.
* **Section 10 - 13** relates to budget planning and setting.

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1 Introduction to Year-end

The financial year runs from April 1st to March 31st.

Each school is responsible for maintaining their own financial records on the local FMS6 (SIMS) system. The County holds financial records on delegated school budgets (incomes, expenditures and budgets) on the Oracle financial system; this is the prime record for returns to the DfE, Suffolk County Council statutory accounts and other statutory bodies.

1.1 The Official Carryforward

The carryforward calculated from the Period 13 Oracle Management Print will be the schools official carryforward.

Schools should reconcile their FMS6 system to the monthly Oracle Management Prints regularly throughout the financial year. This reconciliation allows discrepancies in either the school or county financial records to be identified and resolved promptly, resulting in increased confidence of school management and governing bodies in the accuracy of financial reporting.

If there are remaining discrepancies between Oracle and FMS at Year-end close, then FMS will be adjusted to match Oracle (the prime record).

1.2 Closing Financial Years on FMS6

Year-end closure of school FMS6 accounts (‘rollovers’) must be authorised by the LA.

No more than two financial years can be open on FMS6 at any one time, therefore it is essential that school systems are reconciled to Oracle throughout the year by each school in order to minimise any difficulties in authorising the closure of an old financial year on FMS6.

The Local Authority undertakes a 3-way reconciliation of school banking and County records on an annual basis; however discrepancies identified during this process cannot be identified or resolved until after the financial year has closed and will affect carryforwards. In order to complete this reconciliation the LA requires the school to provide certain Year-end reports and complete a ‘Reconciliation Data Sheet’, these are detailed in [Section 9](#NINE). It is essential that the guidance contained in this section and in the timetable is followed carefully. Failure to submit these reports by the deadlines could delay ‘rollover authorisation’.

1.3 External Auditing of Year-end Accounts

The Local Authority has been advised by auditors regarding the Year-end financial reports required from schools for statutory reconciliation purposes:

* ***It is essential that no transactions are entered in FMS6 (in either financial year, except those that are essential in order to complete the bank reconciliation) until after the 31st March bank reconciliation has been successfully completed and the reports required by the LA printed*.** (Note that original reports must be retained in school and copies submitted to LA).

Schools are responsible for retaining supporting evidence to justify Year-end adjustment requests (Listed Creditors, Listed Debtors, Receipts in Advance & Payments in Advance). This evidence must be made available for inspection if requested by the LA or auditors.

1.4 Accounting for Expenditure and Incomes in the Correct

Financial Years

All income and expenditure MUST be accounted for in the year in which it occurred. Therefore all goods or services received between April 1st and March 31st need to be paid for from that year’s budget.

Detailed guidance on the treatment of invoices, income for banking etc. are contained in Sections 3-7. All school staff involved in financial processing need clear guidance from school management regarding appropriation to correct financial years due to the implications for the school’s carryforward. It is important that Listed Creditors, Debtors, Receipts in Advance & Payments in Advance are requested where appropriate ([Section 3](#THREE)).

1.5 Year-end Deadlines

Once the County deadlines have passed it will not be possible to alter the ‘old year’ financial records. Therefore schools must pay particular attention to final posting dates and deadlines issued each year as these are liable to change.

1.6 Approval of the Budget Plan

The Budget Plan requires governor approval by 31st March each year and this should be recorded in the minutes. The school’s Scheme for the Financing of Schools/Record of Financial Responsibility (RoFR) indicates where this responsibility lies; for many schools it is the whole Governing Body, for others it is the Finance Committee.

An authorised electronic copy of the approved Plan is required by the Local Authority by 30th April, a signed copy should also be filed in the Governors’ Minute book.

1.7 Loading the Budget Plan into FMS6

The Budget Plan should be loaded onto the School FMS6 System as soon as it has been approved by Governors. Schools unable to balance their first year budget should seek guidance from the Schools’ Accountancy Team regarding budget loading on FMS6 and next steps (sat@suffolk.gov.uk).

The head teacher should verify that budgets have been loaded correctly (see [Section 10](#TEN) for suggestions as to a suitable report to be used in the checking process) and then the budget should be “fixed”. It is important to ensure that the budget is fixed as soon as it is loaded and verified, as the Summary Page of the Budget Monitoring Report includes a virement summary which uses the original fixed budget on FMS6.

Subsequent changes to the budget must then only be made by virement (this must be approved by the Governors).

1.8 The Outturn

It is recommended that the school complete the Outturn Report within the previous year’s Financial Planning toolkit as soon as the Period 13 Oracle Management Print is published. Where there are significant variations the notes column should be completed.

This report requires governor approval and therefore should be presented at the Summer Term Meeting of the Full Governing Body.

1. **Documentation and Support Available for Schools**

2.1 Year-end Timetable and Checklists

A Year-end timetable will be provided to all schools in March each year. This will give specific details relating to a particular financial year and will therefore contain very important information. This document is essential reading as it contains specific instructions and will act as a simple checklist for all finance staff.

All documentation relating to Year-end is included on Suffolk Learning:

## [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

2.2 School Budget Briefings

There were no sessions this year. Schools Choice provide update sessions on budgets setting and year end.

2.3 Governor Training

For any questions regarding and training needs for your governors please contact Governor Services

2.4 Schools’ Choice

The Schools Choice Finance Team is available to answer queries on financial procedures and can be contacted by telephone or e-mail (see below).

The Finance Helpline service can be accessed during normal office hours; if all team members are busy then your call is held in a queue until a team member is available. Therefore you may find it more convenient to e-mail your queries, particularly during March as it is normal to experience very high levels of demand on the service.

Helpline telephone: 0345 6037684

E-mail: finance@schoolschoice.org

2.5 Enhanced Finance Service

This service is available as an enhancement to schools purchasing the Core Finance Package and provides on-site support on financial matters to schools from budget setting and Year-end to budget monitoring and transactional queries.

Service specifications for all delegated services can be found on Schools’ Choice:

<http://www.schoolschoice.org/>

2.6 FAQs and Urgent E-mails

FAQs will be available on the Schools’ Choice website. These contain essential information relating to financial matters and should be read regularly by schools finance staff; during the Spring Term they will contain updates on budget matters.



Where important information needs to be circulated more urgently, an e-mail will be sent to each school’s e-mail account. Staff are also advised to access ‘Ask Schools Choice’ to ensure that essential information is not overlooked, especially over the Year-end period.

**3 Listed Creditors/Debtors & Receipts/Payments**

 **In Advance**

3.1 Invoices Received Before 31st March but after the Central

 Payments Deadline

If an invoice has been received in school by 31st March and was intended to be paid centrally with a coding slip rather than invoice integration, but after the central payments (Finance at Constantine House) paper deadline then schools may decide that local cheque payment is the preferred method. In these circumstances the cheque must be raised and **entered on FMS6 by 31st March, it will not be necessary to raise a Listed Creditor.**

Alternatively, the school may decide to use the Central Payments system (in the ‘new year’) and raise the invoice as a Listed Creditor – see below.

Schools using Invoice Integration have slightly longer to process old year invoices. Please see timetable for this year’s deadline.

3.2 Listed Creditors

**Listed creditors affect the Year-end carryforward – they lower the overall balance.** **Listed creditors must be requested in good faith, with appropriate narration to validate the request(s). They cannot and must not be used to deliberately manipulate Year-end balances as a means of avoiding a reduction of excessive carryforward.**

Listed creditors should be set up for items due to be paid in the old financial year where the goods or a service supplied have been received by 31st March, but the invoice or charge is outstanding. A Listed Creditor provides the mechanism for charging to the correct year. Listed Creditors cannot be used for income received in advance where the associated expenditure will not take place until the following financial year, see Section on [“Receipts in Advance” 3.4.](#THREEfour)

**Listed creditors should only be raised for external suppliers. They cannot be used for SCC departments, SCC schools.**

**Ideally Listed Creditors should be for substantial amounts, an estimate will need to be made where an exact cost is not available. The LA has set a de minimus (minimum value) of £1,000 per transaction and entries cannot be added together to achieve this value.**

## To request a Listed Creditor, the Listed Creditor Request Form is available on:

## [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

These should be completed and e-mailed to SAT@suffolk.gov.uk by the deadline 19th March**. Listed Creditors should only be raised using expenditure ledger codes**.

Only requests that have been appropriately authorised and supported by the appropriate evidence as required will be processed. Due to tight deadlines it will not be possible to contact individual schools to discuss requests received.

A Listed Creditor will put a journal debit charge into the old financial year (2020-21) and a matching journal credit into the new financial year (2021-22). The actual payment will be made in year 2021-22 when the invoice is processed.

The overall effect will be zero in the new financial year, the listed creditor ‘credit’ will compensate for the invoice payment made. Where an estimate of cost has been used there may be a small variance when the actual invoice is paid in 2021-22.

It is not possible to adjust for this variance in the ‘old’ financial year but, providing the estimate was reasonable, the effects should be minimal for the ‘new’ financial year.

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| Example: A school orders books in February 2021. The books are delivered in the last week of March and it is too late to pay the invoice in 2020-21 accounts. They raise £1,500 as a Listed Creditor (i.e. £1500 is charged to the old financial year). The invoice (£1,500) is paid in April 2021 and charged to the new budget but the cost is offset by the Listed Creditor.

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| **2020-21** | **2021-22** |
| Listed Creditor (Debit in ‘old’ year) | **£1,500** | Listed Creditor (Credit in ‘new’ year) | **-£1,500** |
|  |  | Invoice payment for books (April 2021) | **£1,500** |
| **Net Charge 2020-21** | **£1,500** | **Net Charge 2021-22** | **£0** |

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3.3 Listed Debtors

**Listed Debtors affect the Year-end carryforward – they increase the overall balance. Listed Debtors must be requested in good faith, with appropriate narration to validate the request(s). They cannot and must not be used to deliberately manipulate Year-end balances as a means of avoiding a Year-end deficit position.**

A Listed Debtor should be requested when the school has provided a service in the old financial year where payment will not be received until the new financial year.

**A Listed Debtor MUST NOT be raised in the following circumstances:**

* Where an ‘A’ Account has been raised by the school and received in the Income Section of SCC by the date set in the Year-end timetable issued in March. This is because the income will be included in the school’s accounts by the Year-end.
* Where an FMS6 Debtor’s Account is still outstanding on FMS6 by the date set in the Year-end timetable issued in March. This is because it has already been included in the school’s accounts.

**Listed Debtors may only be raised on income codes**

To request a Listed Debtor, the Listed Debtor Request Form is available on:

## [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

These should be completed and emailed to SAT@suffolk.gov.uk by the deadline 19th March. **Listed Debtors should only be raised using income ledger codes.**

Only requests that have been appropriately authorised and supported by the appropriate evidence as required will be processed. Due to tight deadlines it will not be possible for Schools Finance Teams to contact individual schools to discuss requests received.

**The LA has set a de minimus of £1000 ,per transaction and entries cannot be added together to achieve this value.**

Listed Debtor will put a journal credit into the old financial year (2020-21) and a matching journal debit into the new financial year (2021-22). The actual income will be credited to 2021-22 when it is banked.

The overall effect will be zero in the new financial year, the listed debtor ‘debit’ will compensate for the actual income received. Where an estimate of income has been used there may be a small variance when the actual income is banked in 2021-22. It is not possible to adjust for this variance in the ‘old’ financial year but, providing the estimate was reasonable, the effects should be minimal for the ‘new’ financial year.

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| Example: The school banks all income into the Suffolk County Council bank account (yellow paying-in book) by the Year-end deadline. The following week they collect £1,550 income for past schools lettings. They raise £1,550 as a listed debtor (i.e. £1,550 is credited to the old financial year). The income (£1,550) is banked during March 2021, but after the deadline, into the SCC bank account and credited to the new budget, the income is offset by the Listed Debtor

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| **2020-21** | **2021-22** |
| Listed Debtor (Credit in ‘old’ year) | -£1,550 | Listed Debtor (Debit in ‘new’ year) | £1,550 |
|  |  | Income banked after deadline but in March 2021 | -£1,550 |
| **Net Charge 2020-21** | -£1,550 | **Net Charge 2021-22** | **£0** |

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* 1. **Receipts in Advance**

**Receipts in Advance affect the Year-end carryforward – they lower the overall balance. Receipts in Advance** **must be approved by the headteacher, with appropriate supporting evidence kept in school to validate the request(s).**

Receipts in Advance should be set up for earmarked income received in old financial year specifically associated with planned expenditure in new financial year where the goods or services are due to be supplied after 31st March and the income is to be ‘transferred’ to the next year for this purpose. A Receipt in Advance provides the mechanism for correctly accounting for income to the year that it relates to.

Example of a Receipt in Advance could be:

* School trip income received from parents in the Spring Term in advance of the trip taking place in the Summer Term.

Should the planned expenditure not take place, the income received in advance to-date should be repaid (e.g. trip deposits refunded to parents, unspent grants clawed back by awarding body).

**Receipts in Advance should only be raised using income ledger codes.**

Receipts in Advance cannot be used to transfer the ‘net’ balance of unspent School Fund monies within the delegated budget.

**Ideally Receipts in Advance should be for substantial amounts, an estimate will need to include total committed income collected in advance but not spent by 31st March.**

**The LA has set a £1,000 de minimus for Receipts in Advance and entries cannot be added together to achieve this value – schools should check the guidance issued each year for any changes to this level.**

To request a Receipt in Advance, the Receipts in Advance Request Form is available on:

##  [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

These should be completed and e-mailed to SAT@suffolk.gov.uk by the deadline 19th March.

Only requests that have been appropriately authorised and supported by the appropriate evidence as required will be processed. Due to tight deadlines it will not be possible for the Schools Finance Team to contact individual schools to discuss requests received.

Receipts in Advance will put a journal debit charge into the old financial year (2020-21) and a matching journal credit into the new financial year (2021-22). The actual payment will be made in Year 2021-22 when the invoice is processed.

The overall effect will be zero in the old financial year, the Receipt in Advance ‘credit’ will be shown on the income ledger code in the new year. When service is received and paid for against the same expenditure code, the net effect on the budget will be zero for the year. The income and associated expenditure should be included in the ‘new year’ budget, or included later by virement.

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| Example: In March parents pay the school £1,000 for a trip taking place in June. This has been banked and recorded as income in the ‘old year’ accounts, but the expenditure will not take place until the new year (either on the trip or repaid to the parents if the trip is cancelled).

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| **2020-21** | **2021-22** |
| Income Received | -£1,000 | Receipt in Advance(Credit in ‘new’ year) | -£1,000 |
| Receipt in Advance (Debit in ‘old year’) | £1,000 | Expenditure  | £1,000 |
| **Net Charge 2020-21** | **-£0** | **Net Charge 2021-22** | **£0\*** |

\*net charge of zero in both years, as trip is cost neutral. |

* 1. **Payments in Advance**

**Payments in Advance affect the Year-end carryforward – they increase the overall balance. Payments in Advance** **must be approved by the headteacher, with appropriate supporting evidence kept in school to validate the request(s).**

Payments in Advance should be set up for payments made to suppliers prior to 31st March for goods and services to be provided in the new financial year after 31st March. The expenditure is to be ‘transferred’ to the next year for this purpose. A Payment in Advance provides the mechanism for correctly accounting for expenditure to the year that it relates to.

Example of a Payment in Advance could be:

* Deposit payments made in advance for a residential trip taking place in the Summer Term.

To request a Payment in Advance, the Payments in Advance Request Form is available on:

## [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

These should be completed and e-mailed to SAT@suffolk.gov.uk by the deadline 19th March.

Only requests that have been appropriately authorised and supported by the appropriate evidence as required will be processed. Due to tight deadlines it will not be possible for the Schools Finance Team to contact individual schools to discuss requests received.

**The LA has set a £1,000 de minimus for Payments in Advance and entries cannot be added together to achieve this value – schools should check the guidance issued each year for any changes to this level.**

Payments in Advance will put a journal credit into the old financial year (2020-21) and a matching journal debit into the new financial year (2021-22). The actual payment made in year 2020-21 when the invoice was processed is ‘matched’ against the credit to ensure the goods and services received are accounted for in the financial year to which they relate.

The overall effect will be a charge in the new financial year, the Payment in Advance ‘debit’ will be shown on the expenditure ledger code in the new year. The expenditure should be shown in the budget plan for the new financial year, (or adjusted later with a virement).

**Payments in Advance should only be raised using expenditure ledger codes.**

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| Example: In March, the school has paid £2,000 in fees to the examining body for GCSE exams taking place in June.

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| **2020-21** | **2021-22** |
| Invoice Paid | £2,000 | Payment in Advance(Debit in ‘new’ year) | £2,000 |
| Payment in Advance (Credit in ‘old year’) | -£2,000 |  |  |
| **Net Charge 2020-21** | **-£0** | **Net Charge 2021-22** | **£2,000** |

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3.6 Listed Entries over £50,000

For audit purposes, any listed entries greater than £50,000 must be submitted with copies of supporting evidence to the Schools’ Accountancy Team, with a completed ‘Schools Listed Entry Evidence Front Sheet’. The front sheets are included as an extra tab on the Listed Entry Request forms.

These requests will not be processed until satisfactory evidence has been received.

3.7 Nil Returns

Schools are required to submit a Nil Return form if Listed Entries are not appropriate in order to accurately reflect the year’s income and expenditure in the final accounts. A ‘Nil Return’ form is available on Suffolk Learning should be completed and returned to SAT@suffolk.gov.uk by the Listed Entry deadline.

## Nil Return forms can be downloaded from

## [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

3.8 Internal Transactions

Listed Entries are not appropriate for any transactions between SCC schools or SCC departments, or school sports centres, as these can be entered into 2020-21 with a journal in Oracle. Any listed entries stating ‘SCC’ as the supplier will be rejected.

The only exceptions to this are payments through SCC payroll, as payments to employees are accounted for as external payments. Listed entries are permitted, but these are not usually necessary unless notified otherwise by payroll (see 3.12-3.14). Any listed entries raised must comply with the de minimus of £1,000 per transaction and entries cannot be added together to achieve this value.

The Schools’ Accountancy Team provide SCC departments with a recharging deadline earlier in March to allow time for schools to query any transactions. Therefore, it is essential that schools verify any charges/payments received do relate to them. If you have not received an expected charge/payment you may need to contact the appropriate department to request they process the journal (reminding them to process with a 31st March date).

Receipts in Advance for internal transfers of money are not permitted. ‘Internal’ relates to monies received from other SCC schools or from SCC (any receipts received on weekly extract files).

3.9 Audit

The Authority’s external auditors require adequate supporting information for all Year-end transactions to be recorded as follows:

* Details entered on to Listed Creditors/Debtors & Receipts in Advance/Payments in Advance forms in the narration field must include order number, supplier and, if known, invoice number.
* It is a requirement that schools hold supporting documentation relating to listed transactions. We recommend that a file is maintained for this purpose and examples could include copies of appropriate invoices, outstanding debtor details, orders, cost centre reports detailing unspent grant balances, documentation relating to the planned use of grant income received in advance, income and expenditure records for school trips which cross the financial Year-end etc The records held on Oracle will need to meet the requirements of the external auditors. This will include details of the narration fields from the listed spreadsheets but will not include the details given in any explanatory notes fields.
* It is important for Schools to be aware that Listed entries will not meet the Audit specification where multiple invoices/pay/money etc are grouped together in order to meet the £1,000 de minimus.

**It is very important that schools maintain adequate supporting documentation relating to Listed Creditor, Listed Debtor and Receipts in Advance requests/Payment in Advance as the accounts may be subject to internal and/or external audit inspection.**

**The Schools’ Accountancy Team will review all Listed Entry requests and may require schools to provide further evidence to support requests for Year-end adjustments before these can be processed. This is to ensure that all entries comply with audit requirements.**

3.10 March Local Payments and Incomes (VAT Long Summary

Report)

Each month schools export details of their previous month’s local payments and incomes to the LA for inclusion in the Oracle records by ‘exporting’ their VAT Long Summary Report.

This cannot be done until the first day of the next month, therefore the local transactions for March cannot be sent until 1st April, at the earliest.

Schools will be provided with specific instructions on when to export their March VAT Long Summary Report to the Local Authority in the Year-end Timetable issued in March. It will be essential that school finance staff follow this guidance and adhere to the deadline.

3.11 Devolved Capital

Listed Creditors and Debtors can be raised for Capital Allocation invoices.

Listed Debtors cannot be raised on C8001 ‘Capital Grants’ and ‘C8002 Voluntary and Private Capital’ ledger codes. Listed Debtors are possible when a school has been awarded a contribution from an external party for use on a capital project, which it has completed before 31st March, but hasn’t yet received the contribution. We expect these circumstances to be rare within schools, but please contact the Schools Accountancy Team if you have any queries.

Listed Creditors are possible when a school has received capital items/services by 31st March, but the invoice is outstanding. Listed Creditors for ‘works in progress’ can only be raised for the value of works completed up to 31st March – appropriate evidence of this amount should be retained, e.g. an invoice or statement from the supplier.

## There are separate Listed Creditor form for capital available on Suffolk Learning

## [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

Completed forms should be emailed to SAT@suffolk.gov.uk by the deadline on the Year-end Timetable.

**There is a £1,000 de minimus for Listed Creditors and Debtors. This limit is per transaction and entries cannot be added together to achieve this value.**

As with all listed entries, supporting documentation must be retained in school and may be requested by Audit or the Schools’ Accountancy Team.

Further guidance can be found in the [capital section](https://www.schoolsurf.suffolkcc.gov.uk/docs/unrestricted/Finance_Service/Capital_and_Mutual_Loans/Guidance/index.aspx) of [Capital Guidance](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/financial-management/capital) If you are still unsure of the classification please email the details through to the Strategy and Accounts Team on: financestrategyandaccounts@suffolk.gov.uk

3.12 Mid-day Supervisors & Cleaning Staff

Listed entries will be actioned on schools behalf for any 4-weekly payrolls that cross the two financial years. These will be shown on the Oracle reconciliation file and should be taken onto FMS6. No further action is needed unless instructed by the Schools Finance Team.

3.13 March Supply Costs

No Listed Creditor is required, as 12 supply periods will be covered in each financial year (March – February).

However, some schools may choose to include March supply costs and therefore include 13 supply periods in the old financial year initially, for example where there has been a heavier demand during March than would normally be expected (this will result in a change to the normal accounting practices which should be reported to governors and any other users of the financial management reports to avoid confusion). This will mean that a Listed Creditor will be necessary for March supply costs every year thereafter.

Schools will need to check the accounting treatment that has been applied in previous years for March costs to ensure consistency of the accounting policy applied.

3.14 Salary Arrears

Listed Creditors should be raised where salary arrears will not be charged to the school budget until the next financial year where these costs are in excess of £1000 per entry.

3.15 School Trip Advance Payments

Schools running school trips through the budget should ensure that any significant monies collected in advance for trips (where the associated costs will not be incurred until the next financial year) are included as a Receipt in Advance. (See section 3.4 for guidance on Receipts in Advance).

Oracle income code 83180 should be used to account for the income and the associated spending should also be taken into account on expenditure codes when setting the new budget plan.

Any advance payments (e.g. deposits) relating to trips due to take place in the next financial year should be included as a Payment in Advance on the appropriate expenditure code. (see section 3.5 for guidance on Payments in Advance).

This will help ensure that the Year-end carryforward position is not artificially inflated.

Should the planned school trip be cancelled at any point in the future, the money can be paid back to parents without any detrimental effect on the budget.

3.16 School Fund in the Budget

School Fund cost centres should be carefully examined to identify appropriate Listed Creditor adjustments.

Any net balance remaining will be included within the carryforward total and may be used for expenditure budget allocations when budget setting, **this balance must not be raised as a Listed Creditor or a Receipt in Advance.** However, the normal Listed Entry rules apply for transactions within the school fund (e.g. 2021-22 trip deposits paid from the school fund).

3.17 Catering

Schools that bank delegated funds directly to Lloyds (school account) or any other external bank account should ensure that income is banked and entered on FMS6 by the close of the day on the 31st March.

Advice will be provided in the guidance issued in March for schools who bank their income via the SCC Bank Account/Giro. The £1,000 de minimus limit will apply to Listed Debtor requests.

Due to the reliance on local banks posting County banking slips for input of income into Oracle by the County’s deadlines, schools may choose to bank locally to the school budget bank account for the last weeks in March. This is because any banking made and entered into FMS6 before 31st March will be guaranteed to be included in the correct financial year as long as March VAT returns are submitted to the LA via AVCO within the required deadlines. (See timetable for deadlines). Lloyds Bank currently has a local maximum daily banking limit of £500 for school corporate bank accounts

For use of the G4S cash collection service at the end of March, please see specific guidance in the End of Year Timetable to ensure the accounting of banking in the correct financial year.

Listed Creditors will be required for catering charges - an estimate of the March recharge for any listed entries can be calculated by using the value of the February charge divided by (number of days in the February catering period) and multiplying by (number of days in the March catering period). For further help or information on catering charges please contact Vertas at mail@vertas.co.uk

3.18 Insurance Claims

Specific advice and deadlines relating to maternity insurance reimbursements for the old financial year will be included on the year end timetable. Note that any ‘old year’ claims not received by the deadlines will be returned unpaid.

For 2020-21 SCC maternity insurance claims must be received by 26th March. These will be paid in 2020-21.

March Staff absence claims must be received by 14th April. These will be paid in 2021-22.

**Listed Debtors are not permitted for SCC insurance.** Schools purchasing their insurance from an external provider can raise Listed Debtors if required.

3.19 ICT Orders

All orders for goods and services received by schools will be charged in the correct year, so listed entries will not be necessary. ICT will contact any schools with outstanding orders individually.

Orders should be raised on FMS6 when requests are placed with ICT. These commitments must be subsequently cancelled when the ICT journal charge is received following delivery and installation of the equipment.

3.20  Energy and Water Costs

Schools are advised to check the following web links:

Budget forecasts and updates: <https://www.vertas.co.uk/energy-budgeting>

Sigma: <https://www.sigmaenergyviewer.com/> (Needs login details)

There is a “how to” document on this link that provides a step-by-step guide to calculating both Year-end spend and budget forecasting using bill data from Sigma.

When reconciling energy and water costs from Sigma, the following may be of use:

* If most bills are shown as “Estimated”, then data/cost accuracy cannot be guaranteed. Please see Spend vs Budget below.
* Gas and electricity accounts are billed monthly, so there should be 12 individual bills in each financial year per account number.  If there have been credits and re-bills please ensure you have one complete set of bills for each month (e.g. original bill + credit + new bill)
* Most water accounts are billed every six months but many sites will receive 3 charges per account number per year due to the price change on the 1st April.  Some larger sites receive bills monthly or quarterly and for these sites please ensure you have a complete set of bills covering 12 months.

Position at start of March 2021 for energy/water:

* The vast majority of billing is up to date although further billing is expected mid-March. The Energy Team are currently in the process of identifying any bill gaps and will contact sites individually if any problems are identified.

Spend vs Budget:

* If spend at financial Year-end differs (or looks likely to differ) by more than +/- 25% from your budget please email the Energy Team even if all bills are actual and nothing appears wrong with billing.

Listed Creditors:

* The Energy Team cannot produce Listed Creditors but will provide the information to schools where necessary.  Your school will be contacted by the Energy Team if they believe Listed Creditors are required.

Assistance:

* The Energy Team will provide assistance where there are Complex queries or issues so schools are advised to contact the Energy Team by email  energyservices@vertas.co.uk

3.21 Maternity Pay

For staff members who have deferred the 12 weeks half pay to be paid as a lump sum on return, schools can raise a Listed Creditor for the proportion of the 12 weeks half pay that would be due as at 31st March. Until the member of staff formally hands in their notice, the school continues to have a liability to pay the staff member upon their return.  It is for this reason that a Listed Creditor is appropriate.

Any member of staff electing to have the half pay as due will be paid in the correct year therefore a Listed Creditor should not be raised.

For queries relating to when 12 weeks half pay would become due, please check with payroll. payroll@schoolschoice.org 03456 066 046 (Option 2).

Please note that, if using SCC Insurance, schools cannot raise Listed Debtors for ‘old year’ maternity claims that will be paid in the new financial year. 2020-21 claims must be received by the Insurance Team by Tuesday 26th March. These will be paid in 2020-21. Any claims received after the deadline will be returned unpaid.

**4 Processing of Listed Creditors/Debtors and Receipts/Payments in Advance**

4.1 Spreadsheets

## To raise Listed Creditor, Debtor, Receipts in Advance & Payments in Advance the relevant spreadsheet request forms should be completed by schools and available from:

##

## [Suffolk Learning > Leadership & Staff Development > Schools’ Accountancy > Year End](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end)

These should be e-mailed to sat@suffolk.gov.uk to arrive with them by the deadline issued in March.

**Only requests that have been appropriately authorised and supported by the appropriate evidence as required will be processed**. Due to tight deadlines it will not be possible for the Schools’ Choice Finance Team to contact individual schools to discuss requests received; therefore any requests not completed in full will be returned via email. A signed copy must be retained in school with the financial records on the end-of-year file.

4.2 Processing Listed Creditor/Debtor & Receipts in Advance

‘Journals’ On FMS6

The entries listed by the school on their Listed Creditor/Debtor & Receipts in Advance spreadsheets will appear on the Oracle weekly reconciliation files on FMS6 in both the old and new financial years as ‘journals’.

* The narration against each ‘journal’ will be that requested by the school
* Listed Creditor/debtor journals will appear in Oracle prefixed with LC/LD/RA/PA and SCH (Schools), similar to ordinary journals. E.g. Listed Creditor LCSCH01 or listed debtor LDSCH01.
* Capital Listed Debtors will be suffixed with ‘**C**’e.g.‘LDSCH**C**’ and Capital Listed Creditors with ‘LCSCH**C**’.
* The ‘journals’ should be accepted onto FMS6 by choosing the appropriate cost centres.

**5 Invoices and Purchase Orders**

5.1 Unreconciled Invoices

A list of invoices and credit notes can be obtained from FMS6 as follows:

* *Reports > Accounts Payable > Invoices > Invoice & Credit Note Summary report*
* Change the status to *authorised* and then, *fully authorised*, and then *on hold* and *passed for payment,* and also *unauthorised* to ensure that all entries are checked

Older unreconciled items should be investigated regularly throughout the year and cancelled if necessary.

Unreconciled cheque invoices can be cancelled or posted through:

* *Focus > Accounts Payable > Invoice/Credit Note*
* Highlight the relevant invoice and click on the Red Cross icon in the upper right of the screen.
* Check on: *unauthorised*, *authorised*, *on hold,* by changing the view
* Any outstanding invoices (including *unauthorised* ) must be cancelled by 31st March

Central Payment invoices which have been sent to Finance at Constantine House for payment, but are unreconciled at the Year-end can only be cancelled by raising a matching dummy credit note:

* Check on: *unauthorised*, *authorised*, *on hold,* *fully authorised* by changing the view.
* Raise and authorise a dummy credit note where appropriate
* Both entries will then need to be manually reconciled:
* *Focus > Central > Manual Reconciliation*

If an invoice is passed for payment in the old year on FMS6 but is not charged in the old year by month 13 on the ORACLE extract then:

* It will need to be cancelled by raising a matching dummy credit note to the same ledger code/cost centre in the old year
* Both entries must then be manually reconciled

**INVOICE INTEGRATION**

Schools using Invoice Integration are reminded that they need to notify the Payments Team payments@schoolschoice.org if they create “dummy invoices/credit notes” in order to clear their system, this will help ensure that the dummy entries are not subsequently processed as payments etc. to the creditors.

5.2 Invoice Payments in March

Invoices paid by cheque up to, and including the 31st March will be included in the old financial year records providing that the cheque payment has been included on FMS6 by 31st March.

Important – care should be taken to ensure that **all cheque payments made after 31st March are made in the new financial year on FMS6** (otherwise there could be difficulties whilst the old financial year remains open on FMS6).

Invoices passed to Finance at Constantine House within the specified deadlines issued in March will be included in the old financial year. Invoices passed to RM Finance during late March and early April but after the specified deadline must be processed according to the specific guidance issued in March, failure to follow the guidance may result in charges appearing in the incorrect financial year and distortion of the Year-end carryforward.

5.3 Invoice Payments in April

Invoices paid locally by cheque from the 1st April must be paid in the new financial year on FMS6. Care should be taken to ensure that this is always the case otherwise there could be difficulties whilst the old financial year remains open on FMS6.

Important**: Please complete the 31st March bank reconciliation as soon as the statement is received. Schools are advised to check the timetable for any changes to arrangements each year.**

5.4 Purchase Orders

Outstanding orders should be reviewed regularly throughout the financial year and cleared where appropriate. All outstanding orders must be cleared on FMS6 before old-year closure.

A list of outstanding orders can be obtained through:

* *Reports > Accounts Payable > Purchase Order Reports > Purchase Order*
* Click on Outstanding Orders

Orders can be deleted through:

* *Focus > Accounts Payable > Purchase Order*
* Change the view button to show outstanding orders

Authorised orders that are no longer required can be cancelled by:

* Clicking on the large ‘Red Cross’ icon
* Enter appropriate narrative, e.g. “Year-end cancelled” or “Year-end transferred” as applicable.

Authorised orders that have not been delivered and/or will not be paid for in the old financial year will need to be cancelled by:

* Clicking on the large ‘Red Cross’ icon.
* These will need to be re-raised in the new financial year with a narrative that cross references to the original order and a note added to the original hard copy.
* The new order will obviously have a new order number. This should be entered on the invoice coding slip when paying centrally to enable the invoice to automatically reconcile.

5.5 Outstanding Cheques

Unreconciled cheque payments should be reviewed regularly throughout the year:

* *Reports > General Ledger > Bank > Unreconciled Transaction Listing*
* *Do not include date parameters*
* There may be occasions when cheques need to be cancelled. Ensure that any cheques cancelled on FMS have also been cancelled by the bank. If a replacement cheque is not issued, the invoice will also need to be cancelled on FMS.

To clear unwanted cheques:

* *Focus>accounts payable>cheque processing*
* Click on appropriate cheque run
* Highlight cheque
* Then click on the cross to right of the screen.
* **You will also have to cancel the associated invoice and order commitment.**

At Year-end unreconciled cheque invoice payments will transfer into the new financial year and therefore no adjustment is required.

Important: **Old year cheques must not be cancelled after 31st March**

To clear unwanted cheques after 31st March:

* Process a cash book journal in the new year to credit the amount of the cheque payment (cross reference it to the original cheque number)
* This credit and the original cheque payment contra each other and can be reconciled to your next bank statement.
* Make an appropriate narration on the cheque stub and other documentation in order to provide a good audit trail.
* Clip the returned/spoilt cheque in the cheque book; do not destroy it as it will be required for audit purposes.

**6 Income, Banking & Petty Cash**

6.1 ‘A’ Accounts

An ‘A account’ is a local authority invoice originated by a school and sent to someone who owes the school money, e.g. school premises hires (lettings) – see Section 10.1 of the Schools Financial Administration Handbook for more information on ‘A’ Accounts.

 All ‘A’ Accounts (Miscellaneous Debtor Accounts), which have been sent to the

Income Section of RM Finance at Constantine House by the deadline issued in March will automatically be included in the old year accounts.

After this date any ‘A’ Accounts raised in relation to the old financial year will need to be added as a LISTED DEBTOR and received by the Schools Finance Team within the Listed Debtor deadline. Please confirm that these have been raised in the new year when submitting the listed debtor form.

Any ‘A’ accounts issued after the Income Section deadline, which were not included as a LISTED DEBTOR, will be shown in the new year accounts.

**REMINDER – ‘A Accounts’ should not be used to charge between Suffolk County Council departments and schools. A journal (internal journal) should be processed in this instance.**

6.2 FMS6 Debtor Accounts (Accounts Receivable)

VAT Long Summary Reports include FMS6 Debtor Account transactions at the time of raising the account, not at the time of the income being received. Therefore, it is very important that outstanding invoices are regularly checked throughout the year.

At Year-end ‘open’ invoices have caused difficulties when finalising FMS6 Year-end closures (rollovers).

Our current advice is:

* All outstanding debtor invoices should be carefully checked and cancelled where necessary by 31st March. If open invoices remain at the end of the financial year, schools **must** provide an aged debtor report as at 31st March.
**N.B.** **It is essential that this report is run as instructed in the Year-end Reports section, as it cannot be obtained at a later stage.**

In order to establish whether invoices are outstanding run an ‘Aged Debtor Report’:

* *Focus > Accounts Receivable > Reports > Aged Debtor Report*

A list of debtor accounts (invoiced income) can then be obtained as follows:

* *Focus > Accounts Receivable*
* Click on Focus > Invoice/Credit Note
* Unprinted or unposted invoices can be cancelled, if necessary, in this screen by clicking on the red cross in the upper right of the screen. A credit note will need to be entered to cancel an invoice once it has been printed.

6.3 Non-Invoiced Income (Income Received)

This is income paid into the school budget bank account. Posted income will appear on the Year-end System Check Report until it has been reconciled to a bank statement item.

A list of unposted income can be obtained from FMS6 as follows:

* Reports > Non-Invoiced Income > Non-Invoiced Income Listing

Receipts and paying-in slips must be posted on FMS6. Unposted income can be posted as follows:

* *Focus > Non-Invoiced Income > Receipts*
* Tag, Pay In, and post
* This must be done by 31st March for income to be included in the old financial year

Unwanted unposted income can be deleted as follows:

* *Focus > Non-Invoiced Income > Receipts*
* Click on red cross at top of screen

6.4 Income Banked to the SCC Bank Account

This is income paid into the Suffolk County Council Bank Account using the yellow paying-in book.

It must be banked by the deadline given in the Year-end timetable.

Paying in slips should be posted to SCC promptly to arrive by timetabled deadline. Swipe card receipts should be retained in school. To ensure quick processing please ensure the date on the slip matches the paying in date.

Please see the End of Year timetable for guidance on G4S banking at Year-end.

6.5 Petty Cash

Schools Maintaining a Petty Cash Account on FMS6

These schools maintain a petty cash tin in school. The petty cash balance does not need to be banked at Year-end but all petty cash transactions for the old financial year must be entered onto FMS6 by 31st March.

The Schools’ Accountancy Team requires schools to run and submit a petty cash report and due to the timing of the school Easter holidays this varies each year. For the 2020-21 financial year this report needs to be run and submitted to sat@suffolk.gov.uk by 26th March, with no further claims or reimbursement permitted until after step 2 of the data sheet is reconciled and submitted.

Petty cash balances will not roll forward until a preliminary Year-end closure has been run on FMS6 (this should not be done until authorisation has been obtained from the Schools’ Accountancy Team). Therefore transactions for the new financial year cannot be entered until an initial petty cash reimbursement is made. E.g. an additional £50 cash increase

FMS6 will only display the corrected system balance once the old year has been closed, this can be seen:

* *Focus>general ledger>petty cash*
* You may find it easier to separate the cash held on 31st March (this should balance to the final Cash-in-Hand on FMS6 in the old financial year) until the petty cash balance is rolled forward

The true balance can be viewed as follows:

* *Reports>general ledger>petty cash>transactions.*

Schools Reimbursing Through SCC Banking

These schools do not maintain a petty cash tin, but reimburse themselves from school dinner income, with appropriate code adjustments being made to the SCC banking book (yellow paying-in book)

The final reimbursements to be processed in the old financial year must be included in the final banking. Please note the final banking date will be given in the Year-end instructions to be issued in March. All reimbursements entered after this date will appear in the new financial year. As the amounts will be small it would not be appropriate to request Listed Creditors for reimbursements relating to the old financial year.

**7 Journals and Virements**

7.1 Journals Actioned by the Schools Choice Finance Team

Journal requests requiring action in the old financial year must be emailed to the Schools Choice Finance Team by the deadline specified in the supplement guidance issued in March. It is not possible for the Schools Choice Finance Team to contact schools to clarify individual requests received during March due to the high demands on the Helpline Service at that time of year.

All journal requests received after the deadline will appear in the new financial year.

7.2 FMS6 Journals

A list of unposted journals can be obtained as follows:

* *Focus > General Ledger > Manual Journal Processing*
* These should be investigated and deleted/posted as appropriate.
* Delete by clicking on “minus” button at top of screen or post journal as appropriate, prior to 31st March

7.3 Old Year Virements

Virements (changes to budgets) cannot currently be loaded into Oracle Fusion currently. If you have any concerns, please contact the Schools Accountancy Team

**8 Essential Procedures on FMS6**

8.1 Defining the New Financial Year

This procedure can be started at any time throughout the financial year, as long as two years are not already open:

* *Tools > Define Financial Years > Define/Edit Years*
* Use [+] to add a new year > Open Year



Until the budget is loaded the check spending against the cost centre tick may be removed, this will allow orders to be processed when no budget has been allocated**.**

* **It is important to reset this as soon as the budget has been input.**

8.2 Defining the Salary Periods

Select:

* *Tools > Define Financial Years > Define Salary periods*
* Add the next year.



8.3 Staff Commitments

Outstanding staff commitments should be examined and cleared regularly as follows:

* *Focus > Personnel Links > Salary Projections*
* Use the ‘Clear Commitment’ icon, (‘red cross’ to the top right of the screen)
* Ensure that each month’s commitments are cleared.

8.4 Defining VAT Periods

To define the new year:

* *Tools > Define VAT Periods*
* Click plus to add the new financial year
* *Save* to copy from the previous year and save as shown.

(Example shown on next page)



8.5 Chart of Accounts Amendments – Changes to Cost Centres

Any necessary amendments may be made to the chart of accounts through:

* *Tools > General Ledger Set Up*

(In the new year once the new year has been set up)

These will include creating new cost centres and making the cost centre/ledger code links:

* Amending any existing links as required.
* Remember, you will not be able to delete ‘old year’ cost centres/ledger links until the next year has been closed.

Helpful hint: it is better to tidy up the old year before opening the new one wherever possible

8.6 VAT

**You must follow the guidance issued in March regarding the exporting of the March VAT Long Summary Report**

You can check that VAT returns have been submitted and exported to the Local Authority and that associated claims/payments have been processed:

* *Focus > General Ledger > Chart of Accounts*
* Select Ledger codes and each VAT code in turn.
* The Actual figure at the bottom for each VAT ledger code should be zero which shows that the claims have been processed and reimbursed.

8.7 Year-end System Checks

Print the report:

* *Reports > Year-end > System Checks*
* ‘Tick’ *Transferable Transactions* and *Support Items*.

* + This report shows any outstanding orders, invoices, income amounts and uncleared ORACLE extract suspense items that will need action before closing the year. It also lists system updates required at the end of the report, and for a clear system/report it would need to quote “No non transactional reasons to report on” with any remaining items left on the report being identified as “Transferable in Support”. Remember to check all pages, as ‘non-transaction’ reasons are displayed at the very end of the report.
	+ If there are any non-transactions reasons or items which are not transferable in support, FMS will not permit ‘rollover’. The Schools’ Accountancy Team require schools to submit a clear YESC report before ‘rollover’ can be authorised (see section 9.1).
	+ If the report is clear then no further action is required. Items appearing on the report should be investigated and resolved as quickly as possible.
	+ Note: Small schools may find this a helpful report throughout the year when investigating outstanding commitments, unreconciled invoices, cheques etc. It will not be suitable for larger schools with a higher volume of activity.

8.8 CFR Apportionment

All fund allocations need to be CFR apportioned:

* *Focus > Budget Management > Fund Allocation*
* Double click on the fund allocation line
* Then click into the History tab
* Double click on *Funds Delegated by the LA*
* Match to the amount in allocation.

If fund allocations are not fully CFR apportioned, FMS will not permit ‘rollover’.

All Salary Commitments need to be cleared in the old financial year.

* *Focus > Personnel Links > Salary Projections*
	+ Click on “all cost centres”
	+ Click on “red cross” top right hand corner of the screen
	+ Click on “commitment period” (magnifying glass)

Select each month in old year in turn by double clicking to open, “tag all” clear commitment

8.9 Clearing Error Suspense

From 1st April Oracle weekly reconciliations will import week 1 onwards for processing in the new financial year and week 52 onwards for processing in old financial year.

* Be sure to choose the correct year to process the files!

Once period 13 Oracle Management Report is received you can be certain that no further extracts for the old financial year will be sent.

The outstanding Oracle reconciliation items in the ‘old year’ should be cleared as quickly as possible, anything remaining on this suspense once the Period 13 print is received must be accepted onto the school system

* Any adjustments required will then be made in the new financial year on FMS6
* Ensure that all ‘old year’ files have been collected through Anycomms once the Period 13 print has been issued

A list of all Oracle reconciliation items on suspense can be obtained as follows:

* *Focus > Central > Automatic Reconciliation > Print,* (bottom right hand button)
* Individual items can then be cleared or deleted in the usual way.

8.10 Final Checking of Reports

Monitor all unreconciled central invoices carefully during March and early April – these items should be reconciled once the Period 13 Oracle Management Print is received, if not clear them as instructed in Section 5.

Once the Period 13 Oracle Management Print is received all outstanding and unreconciled items should have been resolved.

This can be checked by running the Fund Review Report:

* *Reports > General Ledger > Fund review*
* There must be no outstanding items in the ‘Commitment’ or ‘Cent.Inv’d’ columns.
* The actual expenditure column should agree with the Oracle Period 13 final net expenditure figure.
* The total balance column should be your actual figure to carry forward into the new financial year.

If your total balance does not agree with the Oracle Month 13 final net expenditure figure, it will be necessary to refer back to your SIMS / Oracle monthly reconciliation reports to resolve the difference. Differences must be resolved before FMS6 ‘roll-overs’ can be authorised by the Local Authority.

**9 Year-end Reports**

9.1 Year-end Reports and Data Sheet Required by the Schools

Accountancy Team

**Important: From 1st April - Do not make any local entries on FMS6 (in either financial year, except those that are essential for the reconciliation of the bank account) until after the March VAT Long Summary has been exported and the End-of-Year reports run for the Local Authority.**

As part of the current banking offer from Lloyds all schools will receive an external bank statement which will cover the period to the 3rd April. As schools are required to complete a bank reconciliation up to the 31st March only the Schools’ Accountancy Team will run a Lloyds Bank statement for schools and place this into schools individual AVCO folder. Schools should check the Year-end Timetable for the date this will be available. This bank statement must be used to perform the final bank reconciliation for the old financial year and is a requirement following recommendations from the external auditors. This should be completed as soon as is available.

The Schools’ Accountancy Team provides schools with an electronic return (data sheet), on which to submit the Year-end data required for reconciling the schools bank account to SCC’s prime record (Oracle).

This ‘Data Sheet’ will be issued annually and further guidance on how to run and save reports, deadlines and submission instructions can be found in the Banking Section in the Schools’ Accountancy pages on Suffolk Learning. For further advice and guidance on completing your return, contact sat@suffolk.gov.uk. The data sheet includes step-by-step guidance on how to run the required reports.

The Data Sheet and further guidance can be found on Suffolk Learning: [Suffolk Learning > Leadership & Staff Development > Schools Accountancy Team > Year End > Data Sheet](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/year-end/data-sheets)

**It is therefore essential that the following procedures are followed:**

* Export March VAT file as per deadline in end of year timetable.
* The final bank reconciliation must be completed as soon as the statement for period ending 31st March is received in school (or on return after the school Easter holidays).
* The final bank reconciliation must balance. If you have any direct credits or debits they should be entered in the new financial year. This is because these items will be entered on FMS6 after the 31st March and any local payments/receipts will therefore appear on the April VAT return.
* If you have any technical difficulties contact finance@schoolschoice.org immediately, or for further advice on understanding the reconciliation process contact sat@suffolk.gov.uk.
* All Year-end bank reconciliations must be completed successfully by the deadline published in the Year-end Timetable issued annually in March.

The following reports are required by the Local Authority. See this years Data Sheet for full instructions on how to run these reports and how to submit these to the Local Authority.

Aged Debtors Report – 26th March 2021

* Schools should provide a complete list of all outstanding debtors appearing on FMS6 as at the end of March.
* *Focus > Accounts Receivable > Reports > Aged Debtor Report*
* *Export file to Excel and ‘Save as Type > Comma Separated (\*.csv) > ‘School No. Aged Debtor Report 20\*\*’ to schools local network drive*
* Copy and paste this file from your local network drive to the Anycomms Out > CSD Finance Folder
* Print and retain a hard copy in school – this may be required for audit purposes
* **N.B. This report cannot be generated at a later stage so it is essential that it is printed on 31st March.**
* **Where schools do not operate an aged debtors system, please add N/A and date to Data Sheet.**

Petty Cash Report – 26th March 2021

* *Reports > General Ledger > Petty Cash > Transaction Listing*
* *Define dates – from 01/04/2020 to 31/03/2021 (old financial year only)*
* *Select ‘Detailed Report’*
* *Export to disk > Main Body > OK > ‘Save As’ Excel Worksheet (.xls) format > ‘School No. Petty Cash 20\*\*’ to schools local network drive*
* Copy and paste this file from your local network drive to the Anycomms Out > CSD Finance Folder
* The ‘Current Cash in Hand’ should agree to the petty cash held by the school
* **Schools are not permitted to make Petty Cash entries on FMS after 31st March 2021 until the new financial year (1st April onwards)**
* **Print and retain a hard copy in school – this may be required for audit purposes**
* **N.B. This report cannot be generated at a later stage so it is essential that it is printed on 31st March due to the school Easter holidays.**
* **Where schools do not use petty cash, please add N/A and date to Data Sheet.**

Bank Reconciliation Statement

* This should be the reconciliation to external bank statement for the period ending 31st March – complete as soon as the bank statement is received.
* *Focus > General Ledger > Bank > Bank Reconciliation*
* *Select statement to incorporate 31/03/21 end date reconciliation and complete reconciliation as normal.*
* Print and retain original in school. Send a hard copy to Local Authority
* The LA also require a copy of the Lloyds Bank Statement

List of Unreconciled Banking Items

* Immediately following reconciliation of your March bank statement
* *Reports > General Ledger > Bank > Unreconciled Transaction Listing > Bank Account (do not define any dates)*
* Print and retain original in school. Send a hard copy to Local Authority

Bank History Report – up to 31st March

* *Reports > General Ledger > Bank > Bank History*
* *Define dates – from 01/04/2020 to 31/03/2021 (old financial year)*
* *Export to disk > Main Body > Save As Excel Worksheet (.xls) format ‘School No Bank History 20\*\*’ to schools’ local network drive*
* Copy and paste this file from your local network drive to the Anycomms Out > CSD Finance Folder

Bank History Report – from 1st April

* Following your end of March bank reconciliation, and in the new year on FMS6
* *Reports > General Ledger > Bank > Bank History*
* *Define dates – from 01/04/2021 to day of reconciliation e.g. 04/04/20\*\**
* *Export to disk > Main Body > Save As Excel Worksheet (.xls) format ‘School No Bank History 20\*\*’ to schools’ local network drive*
* Copy and paste this file from your local network drive to the Anycomms Out > CSD Finance Folder

Year-end System Check Report

* + After the P13 Oracle reconciliation is complete, with a zero difference if possible, a clear YESC report should be submitted:
	+ *Reports > Year-end > System Checks*
	+ *Select 2020 (old year) and tick ‘Tick’ Transferable Transactions and Support Items’*
	+ *Export to disk > Main Body > Excel 4.0 > Save to school’s local network drive.*
* Copy and paste this file from your local network drive to the Anycomms Out > CSD Finance Folder
	+ For more on clearing the YESC report, see section 8.7 above.

Further reports will be requested from individual schools by the Schools’ Accountancy Team if the submitted reports do not agree to Oracle. Additional reports may be required before the ‘roll-over’ on FMS6 can be authorised, schools will be advised of this where appropriate.

9.2 End-of-Year Reports Retained with School Archive Records

Once period 13 Oracle Management Print has been received and all outstanding items have been cleared from FMS6 schools are advised to ensure that they have printed appropriate Year-end reports to be retained with their other financial records for that year. We would recommend that the following are retained along with copies of the reports sent to the Local Authority:

* Cost Centre Summary Report
* Final Budget Monitoring Report for Governors
* Outturn Report

You may also wish to retain copies of other reports for your records.

9.3 Back-up

A full computer back-up should be performed on the last working day of March.

Back-ups should continue to be completed and checked on a regular basis following Schools Finance Team and IT guidance. It is important to test that back-ups are working correctly.

**10 Budget Loading on FMS6**

Once the budget plan has been formally approved by the full Governing Body/Finance Committee a copy should be sent to the Schools’ Accountancy Team by 30th April as at the latest. Schools must follow the naming convention of **xxx\_bp\_2021** in order for the automatic upload to work.

Send via: Avco/Anycomms/Other/Out/Budget Plan

The budget, as agreed by governors, should be loaded on to the school’s financial system – no other version should be loaded.

Schools unable to balance Year 1 of their budget should contact the Schools’ Accountancy Team (sat@suffolk.gov.uk).

Please refer to the chapter ‘Allocating the Budget’ in the FMS6 user Manual for specific budget loading guidance. The Manual is available for download from Ask Schools Choice: [*FMS User Manual*](https://www.schoolschoice.org/system/files/fms-manual.pdf)

It will be important that schools verify that budgets have been loaded correctly; this should be done by a suitably authorised person such as the headteacher.

* A copy of the Budget Monitoring Report for Governors should be used to verify the balances loaded agree with the approved budget plan
* The verification should be evidenced on the report used (signature, designation and date)
* As soon as the budget has been loaded successfully (and verified) the budget should be fixed on FMS6
* To fix the budget: Focus > Budget Management > cost centre allocation > click the ‘fix the budget’ button top right of the screen
* All future adjustments to the in-year budgets must be made as virement changes
* All ‘check spending’ ticks must be in place in order to ensure that staff are alerted to the potential for overspending on individual cost-centres: Tools > general ledger setup > Tab 2: Cost Centres > navigate to the appropriate cost centre, highlight and click the edit pencil > you can now ensure that the ‘check spending’ box is ticked.
* Check ‘overall’ box as well: Tools > define financial years > define/edit years > highlight the year > click the edit pencil > ensure that the ‘check spending against cc’ box is ticked.

Unbalanced budgets should not be fixed until a Licensed Deficit agreement has been formally approved by the LA.

An adjustment for the carryforward will be required once the Period 13 Oracle Management Print is issued and reconciled. The Schools’ Accountancy Team will notify schools of any carryforward adjustments during the process of authorising ‘rollover’. If the required adjustment is significant the authorisation of the headteacher will be required.

* This must be undertaken as a virement adjustment
* The virement spreadsheet balancing bottom-line figure should agree with Oracle and UDR balancing bottom-line figures throughout the financial year, providing the carryforward adjustments have been actioned

**11 Carry forward Limits**

Following the Schools Forum approval in 2011, carry forward limits for LA maintained schools no longer apply.

**12 Budget Plans and Deficit Budgets**

12.1 Submission of Budget Plans to LA

As part of the LMS Scheme of Delegation, all schools are required to submit an approved, balanced budget plan every year. A balanced plan for 2021-22 must be approved by governors/finance committee by 31st March 2021 and submitted via **AVCO** by 30th April 2021. Schools should revisit their budget plan after their actual 2020-21 carry forward is confirmed: if the budget plan shows a deficit after correcting for the difference between estimated and actual carry forward, school will be required to submit a new balanced plan.

When submitting plans please ensure the approval date is completed.

Schools are required to complete a 1 year Budget toolkit for 2021-22 and a 2 year Strategic Plan 2022-24. Both the 1 year Budget toolkit and the 2 year Strategic Plan toolkit were issued to schools on 12th February 2021.

Governors are not permitted to approve a deficit budget, instead they can ‘agree in principle’ to a working budget. The budget plan must still be submitted to sat@suffolk.gov.uk and the Schools’ Accountancy team will agree further deadline for submission of a balanced Medium Term plan. If a balanced plan cannot be achieved then formal discussions regarding the financial forecasts will need to be held between the LA, the school and governors. The school will be subject to an increased level of monitoring by the Schools’ Accountancy Team and the Local Authority may issue formal Warning Letters or a Notice of Financial Concern to governing bodies which appear to fail to address the financial issues.

12.2 Licensed Deficits (LD)

Schools should highlight any financial concerns to the Local Authority by contacting the Schools’ Accountancy Team at an early stage in order for productive discussions on potential courses of action to take place.  Schools wishing to discuss any concerns should contact the Schools’ Accountancy Team: sat@suffolk.gov.uk.

**13 Preparation for the New Budget**

* 1. **Estimating Staffing Costs**

Staffing Spreadsheets have been provided by Schools’ Choice via **AVCO** in order that schools may estimate their future staffing costs accurately.

We would recommend that these spreadsheets are used and the data validated. Additional checks should be made against actual salary payments throughout the year (particularly April/September/January).

The spreadsheets, when completed by the school, will contain specific data on individuals, therefore it is important that the requirements of the Data Protection Act are observed.

When budget planning for future years schools are advised to include increments for all teachers and support staff (except for years where governors have agreed to not award support staff increments). In order to ensure that budget plans are robust, schools should also consider including contingencies for future years pay awards. See annual budget documentation for the latest advice.

* 1. **Estimating the Carryforward**

A user defined report (‘Governors Report UDR’) and template (‘Budget Monitoring Report & Forecast Year-end Position V1) have been issued by Schools’ Choice in order to assist schools in calculating the FMS6 carryforward. The UDR, template and guidance can be downloaded from [Ask Schools’ Choice](https://portal.schoolschoice.org/knowledge-base/article-details/KA-01972/en-us).

* This is based on Ledger Codes, not Cost Centres
* It needs to be updated with information relating to commitments not yet entered onto FMS6.
* It is recommended that schools use this spreadsheet only in the Spring Term to calculate their estimated carry forward. A Budget Monitoring Report template, which can also be found in the above location, is available for use throughout the year.
* To ensure the report is as accurate as possible, it is essential that all available Oracle reconciliation files have been imported and reconciled.

This template differs from the Budget Monitoring Report to Governors in that the budget is excluded from the calculation of the carryforward. In completing the carryforward template you are trying to predict the Year-end position for each budget line by:

* Adding in any items not yet on FMS6
* Adjusting for items that should be accounted for in the next financial year, e.g. income received in advance for a trip taking place in the summer term.
	1. **Producing a Cashflow Forecast**

A user defined report (‘Cashflow UDR’) and template (‘Cashflow template’) have been issued by Schools’ Choice in order to assist schools in calculating the cashflow report.

The UDR and template can be downloaded from [Ask Schools’ Choice](https://portal.schoolschoice.org/knowledge-base/article-details/KA-01974/en-us).

* The forecast is based on Ledger Code profiles
* It is recommended that the cashflow forecast spreadsheet is completed at the time of budget setting/loading, that tolerances are set and significant variances are subsequently investigated/reported