Date: 1st March 2024

Enquiries to: Schools’ Accountancy Team

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To: Business Managers / Finance staff of all Maintained Suffolk Schools, Special Schools, PRUs and Highfield Nursery

Dear Colleagues

# schools financial year-end – march 2024

This letter highlights key activities and dates for the 2023-24 financial year-end on what is a well-established process.

The closure processes remain unchanged for this financial year-end. Included below are reminders for schools on the statutory requirements of these key activities and timelines. Guidance will be made available this on the [Suffolk Learning website](https://suffolklearning.com/finance/schools-accountancy/year-end/), including a timetable highlighting the deadlines and key dates. Also provided in this letter is an annual reminder on Employment Status for Tax and Off-Payroll Working.

**Key activities and timelines**

* It is essential that you make adequate arrangements to ensure that the following tasks can be successfully completed on or by the required dates in order that carry forwards are correctly stated and statutory deadlines met.
* March VAT returns can be run and submitted on the 28th March through to the 4th April. Please be aware however that no more entries can be entered on to FMS after the VAT file has been exported if doing so on the 28th March and we wouldn’t expect anything to happen after this date. Any entries entered after exporting your VAT file and before running your March VAT submittal will be dealt with as part of the year end roll over process as this will cause a difference between FMS and Oracle. Further guidance can be found [here](https://suffolklearning.com/finance/schools-accountancy/year-end/).
* Schools are required to complete Step 1 (no need to submit) which includes Petty Cash and Aged Debtors reports which relates to their completed ‘Bank Reconciliation Data Sheet’ on **Thursday 28th March**. Step 1 & 2 must be submitted by **Monday 22nd April.** Step 3 to be completed and submitted on **Tuesday 30th April.**
* All schools must submit a year-end adjustment (Listed Creditors, Listed Debtors, Receipts and Payments in Advance) or where these are not required or permitted, schools must ensure that a nil return form is submitted.
* The deadline for submission of schools year-end adjustments including nil returns is **Friday 22nd March.** These are available on the [Suffolk Learning website](https://suffolklearning.com/finance/schools-accountancy/year-end/). Full guidance on listed entries will be included in the Year-End Guidance.
* Schools will be required to retain evidence of listed entry requests which may be inspected by external auditors, internal audit or the Schools Accountancy Team at a future date and must be made available if requested.
* The de-minimus for schools year-end adjustments (listed entries for both capital and revenue) is **£5,000** for the closure of the 2023-24 financial year. This value is the same as in 2022-23. **The de-minimus of £5,000 is per single transaction and entries cannot be added together to achieve this value.**
* Schools are permitted to request Listed Creditors/Debtors for capital in addition to revenue. Separate forms will be available for this, and full details will be provided in the Year-End Guidance.
* Schools will be required to provide evidence to the Schools Accountancy Team to support any year-end adjustment request in excess of £50,000; submissions will not be processed until appropriate evidence has been received. Schools must update the front sheet of the listed entry for any evidence submitted; these will be available from Suffolk Learning. Examples of appropriate evidence will be included in the year-end guidance.

**Employment Status for Tax and Off-Payroll Working**

Please find below some clarification on the checks that schools need to perform in the event that they engage individuals for services and pay them by outside of payroll (e.g., by invoice in the name of the individual or their intermediary).

Where **individuals** are to be engaged to carry out work, and paid off payroll i.e. by submission of invoices in their own name, schools like any organisation need to ascertain if the individual should treated as **employed or self-employed for tax purposes** before engaging them.

If individuals provide their services through an **intermediary**, Schools need to ascertain if **Intermediaries Legislation (IR35) applies**. An Intermediary will usually be the worker’s own personal service company but could also be a partnership, a personal service company or an individual.

Employment Status for tax purposes and the application of IR35 both depend upon the nature of the relationship with the person for whom the services are provided. HMRC provide an online assessment tool, the Check Employment Status for Tax (CEST) tool, to help engagers to determine if:

* an individual is employed or self-employed for tax purposes where an **individual** is to be paid.
* if Intermediaries Legislation (IR35) applies in the event an **intermediary** is to be paid.

An assessment must be carried out to determine and confirm the status of each off-payroll contract prior to the contract commencing. The CEST outcome should be downloaded and saved, identifying who the check was completed by and in relation to. The CEST outcome can be used as the ‘Status Determination Statement (SDS) which must be issued to the worker or agency and retained for the duration of the contract. HMRC will abide by the results provided the answers given are correct.

Further guidance and a link to the online CEST tool can be found at:

* <https://www.gov.uk/guidance/help-and-support-for-off-payroll-working>
* <https://www.gov.uk/guidance/check-employment-status-for-tax>

Where IR35 is deemed to apply, such individuals should taxed at source in the same way as an employee. If the individual is taxed at source through an agency provider or organisation, then no further action is necessary.

Guidance can also be sought from the school’s payroll provider, or alternatively Schools may wish to engage such individuals through Opus People Solutions, or another recruitment agency to ensure that HMRC deductions are applied at source.

Website: <https://opuspeoplesolutions.co.uk/>

Email: [recruitment@opuspeoplesolutions.co.uk](mailto:recruitment@opuspeoplesolutions.co.uk)

Yours sincerely

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Michael Quinton - Senior Accountant – CYP