**2023-24**

**Financial Year End Guidance**

**For**

**Hillingdon Schools**

Main Guidance



Produced by the Schools Finance Team

February 2024

V1.1

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Appendix E - Staff Remuneration Form (separate spreadsheet)

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Appendix G - Letter to Lloyds Bank

Appendix H - Letter to Bank (not Lloyds)

**See Further Guidance**

Guidance on how to run and e-mail Reports, including transmitting remuneration form via secure transfer

Guidance on Staff Remuneration

Guidance on Capital Return

**1. Pre-Closing Checks**

|  |  |  |
| --- | --- | --- |
| **Action** | **Reference** | **Tick when completed** |
| **Staff Remuneration** – As part of Year End accounts, the LA will be required to obtain remuneration information for each employee which will be used to:   * reconcile remuneration expenditure to year end returns * facilitate provision of remuneration disclosure in the Statement of Accounts   The remuneration information can be completed as soon as the March Payroll has been finalised, salaries have been authorised and payroll reports received in complete, normally around March 15th. Schools would therefore need to request this information prior to completion from their Payroll Provider, this can be done by sending Appendix E for initial data collection and therefore for submission to LA by **26th March 2024.** | Year End Guidance - Staff Remuneration |  |
| **IR35 Annual Declaration Form - Appendix F**. Schools should comply with IR35 guidelines by checking the IR35 status of a worker. This form should be signed by the Headteacher and submitted to Schools Finance Team by **Friday 23rd February 2024.** | 8.3 (p20) |  |
| **Fund Allocations** – CFR I01 to I06 & I18a to I18d on page 1 and CI01 on page 4 of the I&E Report should reconcile to March Cash advance totals in the ‘Funding by CFR Code’ section.  With exceptions of:   * Accruals from previous years in relation to cash advance funding * SEN Out of Borough Recoupment/ContrOCC funding on I03 * Out of Borough Pupil Premium/Looked After Children funding on I05.   Any funding changes/movements should be reflected on FMS. | 5.2 /   * 1. (p8) |  |
| **Unexpected Balances checks:**   * CFR I01 to I18d and E01 to E32 on pages 1 and 2 of the I&E Report, ‘Actuals’ column, should be positive with no negative figures. * E30 equals to CI04, Revenue Contribution to Capital.   Payroll Control (on Ledger Code PY01) - any disputed payroll amounts, outstanding March NI, Pension & Apprenticeship Levy amounts to HMRC and over/under payments should be included on the Payroll Control Tab. Otherwise PY01 should be nil. | Check which Ledger Codes are mapped and obtain report via Reports – General Ledger – Transactions – Ledger Code Transactions – Detailed Transactions – Ledger Code Transactions |  |
| Unmapped and Non-CFR balances to be resolved/eliminated. Figures can be identified on the ‘Actuals’ column on page 5 of the I&E Report. | Tools – GL Setup – Tab 8: CFR mappings > Click on Validation Report |  |
| Central Funding – Once March Cash Advance is processed, the figure on page 6 of I&E report should be NIL. Any variance within a tolerance of £5 is acceptable. | 5.3 (p8) |  |
| Year End System Check Report – run before closure date to assess possible issues for closing and any unposted items/income. | 5.4 (p9) /  5.14 (p13) |  |
| Petty Cash – check balance has been reconciled to actual cash amount held. | 5.5 (p9) |  |
| Bank Reconciliation – Arrange with your bank to be able to view on-line Bank Statements or order Bank Statements/transaction report to meet deadline | 5.6 (p9) |  |
| Unreconciled items – any long outstanding items (over 6 months) for expenditure/income to be investigated and dealt with. | 5.6 (p9) |  |
| **Purchase Card** – Check that all transactions relating to 2023-24 have been included in the March direct debit payment, if not prepare a Year End accrual for the outstanding items (subject to de minimis).  If below de minimis then no action required | 5.6 (p9) |  |
| Audit – Schools will need to send a letter of authorisation to their bank to provide information to the LA’s auditors. Please ensure that you send a copy of your letter to [schoolfinancereturns@hillingdon.gov.uk](mailto:schoolfinancereturns@hillingdon.gov.uk) | 5.7 (p10) |  |
| VAT – Check that Qtr4/Year End date is 31st March 2024. Print a ‘Short Summary’ and check that this amount reconciles to VAT balances on last page of the I&E Report (printed – To Period 13 and at the same time as a Short Summary). | 5.8 (p11) |  |
| Purchase Orders – delete all old commitments or those already paid as Non–order invoices and identify those relating to Capital purchases. | 5.9 (p11) /  5.12 (p12) |  |
| Income – check to ensure all invoices are current and old debts written off as per guidance.  It is recommended to run an **Aged Debtor Report** during preparation for year end to allow time to address any potential issues. | 5.11 (p12) |  |
| Staffing commitments - after March salaries are posted check that no outstanding amounts remain, and all outstanding commitments are cleared. | 5.13 (p13) |  |
| **Accruals** – start gathering information on what will have to be accrued together with supporting paperwork ready for closure, both for **capital** by **15th March 2024** and **revenue** by **26th March 2024**.  Be aware of any direct debits/income that may be credited by 31st March 2024, post this on FMS on or before 26th March so that any VAT attached to the direct debit is also posted to the last quarter’s VAT submittal.  **Please be mindful of VAT this Year End:** If posted after Early Close and before 31st March on FMS, VAT will be recorded incorrectly on the Qtr4 Return but if posted after 31st March it will appear on the VAT submittal of the Qtr1 for the next financial year i.e., April 2024 - June 2024, this will give rise to a VAT mismatch for the financial year 2023-24.  A Short Summary for Qtr1 2024-25 should be printed to aid reconciliation. | 7.2 (p16-18) |  |

**1a. Returns Guide – with recommended timetable to aid planning**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Timetable** | **Deadline** | **Action** | **Year End Guidance Reference** | **Tick When Complete** |
| w/c 19th Feb | Fri 23rd Feb | Complete bank authorisation re audit | 5.7 (p10) |  |
| Submit IR35 Annual Declaration | 8.3 (p20) |  |
| w/c 11th Mar | Fri 15th Mar | Pay remaining 2023-24 Capital invoices | Capital |  |
|  | Fri 15th Mar | Submit your 4th Quarter Capital Monitoring Return | Capital |  |
| Submit Cumulative Expense Analysis Report in Cost Centre Order | Capital |  |
| Submit Excel version of Capital Accruals Form (Appendix A (1)) for any capital accrual (must be over £10,000) | Capital |  |
| w/c 19th Feb | Tue 26th Mar | Send Appendix E to Payroll Provider for initial data collection. All Schools to submit completed Appendix E and prepare explanation of variances on remuneration report | Staff  Remuneration |  |
| w/c 19th Feb | Wed 13th Mar | Invoices raised to LA to be received by this date | 5.1 (p8) |  |
| w/c 11th Mar | Fri 15th Mar | Post March 2024 Cash Advance | 5.2 (p8) |  |
| Check CFR Allocations to ensure that reserves (Central Funding) are nil, with the exception of £5 rounding. All budget changes must be made before preliminary close | 5.3 (p8) |  |
| Run Year End System Check Report | 5.4 (p9) |  |
| w/c 11th Mar | Fri 15th Mar | Post any outstanding 2023-24 Petty Cash vouchers including reimbursements. | 5.5 (p9) |  |
| From w/c 18th March | Tue 26th March | Complete bank reconciliation to the latest date chosen, 25th March 2024 (final) | 5.6 (p9) |  |
| Copy Bank Statement(s) to the chosen date, latest (this year) 25th March 2024 for each account held | 5.6 (p9) |  |
| Create the new year including salary and VAT periods | 5.8 (p11) |  |
| Clear salary commitments and remove obsolete purchase orders from 2023-24 | 5.9 (p11) & 5.13 (p13) |  |
| Identify and enter all year-end accruals onto SIMS FMS using the reversing journal facility | 6 (p14) |  |
| Produce Final Reports to submit: - |  |  |
| * Produce Aged Creditor Report | 5.10 (p12) |  |
| * Produce Aged Debtor Report | 5.11 (p12) |  |
| * Produce a Purchase Order Report | 5.12 (p12) |  |
| * Produce Year End System Check Report | 5.14 (p13) |  |
| * SIMS FMS Bank Reconciliation Report - signed | 8.1 (p20) |  |
| * SIMS FMS Unreconciled Items Listing - signed | 8.1 (p20) |  |
| * Generate a VAT Short Summary for Qtr4 * VAT Submittal Report & VAT Submittal (MTD) for Qtr4 (only available from 1st April 2024) | 8.2 (p20) |  |
| * Copy of accrual journals | 9.2 (p22) |  |
| * Cost Centre Summary to Period 13 for each Fund | 9.4 (p23) |  |
| * Summary Trial Balance Report by Ledger Code showing all funds and to Period 13 | 9.4 (p23) |  |
| * Income and Expenditure Report – To Period 13 | 9.4 (p23)) |  |
| * A Full VAT Report (MTD) for Q4 2023-24 to facilitate sample invoice checks | Appendix C |  |
| Year End Statement - Appendix A and appendices electronically completed and emailed in Excel format, NOT as PDF | 9 (p21) |  |
| Year End Statement - signed version | 9 (p21) |  |
| Submit supporting reports/documents relating to Year End Statement | 9.3 (p23) |  |
| w/c 15th April | Fri 19th April | Create 2023-24 Period 13 / Perform Preliminary Close and Finalise reports after Early Closure | 7.1 (p16) & 6.2 (p15) |  |
| w/c 1st April | Fri 19th April | ALL Schools, including Early Closures - Submit copy bank statement showing balance(s) as of 31st March to assist with any potential audit queries | 6.2 (p15) |  |

# 

# 2. Introduction

This guide takes you through what schools need to submit to the Local Authority for financial year-end. The information schools provide will be included in the Council’s public and statutory Statement of Accounts document. It needs to accord with financial regulations and may be subject to External Audit scrutiny so please follow this guide carefully. There are some procedures to undertake at year-end that do not apply at other times of the year.

Following the success of Early Close in previous years we are expecting all schools to follow this process so that the Year End Statement can be submitted on or before Tuesday 26th March 2024. Schools can elect to close from Monday 18th March 2024 to Tuesday 26th March 2024. If this causes any difficulties, you should contact your link officer in the first instance to discuss alternatives.

A Quarter 4 final **capital return** is required by **Friday 15th March 2024**. Your Year End Statement (including Staff remuneration report) must be submitted on or before **Tuesday 26th March 2024**. It is appreciated meeting this deadline will once again present a challenge, so please consider what is required carefully and plan ahead, consider if an early close is appropriate. **Excel copies** of your Year End statement should be e-mailed to [schoolfinancereturns@hillingdon.gov.uk](mailto:schoolsfinancereturns@hillingdon.gov.uk), in order that we are able to copy and paste information onto a central excel database. You are advised to check that your link officer has received your final return before embarking on your Easter break.

The use of on-line banking to view statement information is essential during this period. Alternatively, please make arrangements with your bank to receive your March statement. Any direct-debits or income relating to the financial year 2023-24 that are to be directly transferred to your bank account must be accrued if it is not on the March bank statement. Similarly, any payments due to the school relating to Absence Cover must be accrued, estimates should be obtained from the provider for the financial year 2023-24.

By systematically following the Pre-Closing Checks on pages 3 and 4 of this document, most obstacles to achieving a painless closure can be avoided.

All maintained schools are required to follow financial reporting procedures as laid down by their LA in the Scheme for Financing Schools (made under section 48 of the 'School Standards and Framework Act 1998').

We are legally required to close the accounts on an ‘accruals’ basis. This means that the cost of goods and services (within set de minimis values) must be charged within the year in which they were received or provided.

For example: Computers received by March 2024 but not paid for until April 2024 should be recorded as a cost in the 2023-24 financial year, even though the related invoice will be paid in the 2024-25 financial year. Section 7.2 of this guide explains how this is achieved.

# 3. Key Information for Closing of Accounts 2023-24

Schools are required to provide the LA with details of anticipated and actual expenditure/income in a form and at times determined by the authority (Section 2.1.2 - Scheme for financing schools). This year, in line with the Easter Break, schools are required to submit their year-end information to the LA by **Tuesday 26th March 2024**. You must close accounts between Monday 18th March and Tuesday 26th March to your corresponding bank statement (ignoring any items on the statement relating after 26th March and thereafter) and follow the guidelines set in this year-end procedure document.

Signed certification of cash balances held at schools is required by the auditors therefore, an instruction must be sent to your bank by the **Friday 23rd** **February 2024** - See **Section 5.7**

Staff Remuneration – at year end an analysis is carried out of all salary costs to staffing expenditure reported in the year end accounts and total pension submissions by schools. The Council’s Statement of Accounts must be populated with information on employees who earn £50k and above, this information is extracted from your remuneration reports therefore it is essential that the remuneration reports are accurate and complete. Salary information should contain a list of employees and types of payments made to them. For the completion of this year’s Staff Remuneration Form, **Appendix E,** please see **separate guidance.** The staff remuneration information is also required by **Tuesday 26th March 2024**. This information should be available from your payroll provider once March 2024 salaries are finalised.

Accruals (Section 7.2) to be processed in the following categories:

* School to School (Excludes Academies)
* School to LBH
* Local Government Bodies (includes other local authorities outside of Hillingdon)
* External - School to Other (Includes Academies & HR Cooperative)

***De minimis is £2,000 for revenue and £10,000 for Capital. Please note that the de minimis is per CFR code, it is possible to have several ledger codes that map to one CFR code with amounts of less than £2k however the total per CFR code should not be less than £2k for revenue and £10k for capital.***

***There are exceptions where the de minimis rule does not apply.***

* *LBH accruals, where an LA department has accrued an amount for all schools is more than £2k but for individual schools the amount may be less than £2k. Individual schools will then have to post accruals regardless of the amount to replicate the accrual at LBH.*
* *Accruals for utilities (gas/electric, but not water) as this is consolidated across the whole Local Authority these will exceed the de minimis level. We therefore anticipate most schools will pass utility accruals.*

Any revenue income expected relating to 2023-24 which has not been received by 31st March or when completing your year-end return should be treated as an income accrual. Similarly, direct debits/direct credits known to the school relating to 2023-24 which have not been charged/credited to the bank account by 31st March should be accrued (de minimis limits apply for accruals).

Provide SIMS FMS journal copies to support any accrued amounts. (In FMS: Focus - General Ledger - Journal Review - select journal and click on print icon), please check that the school’s name appears on this journal.

All accruals should be supported by invoices/work-in progress reports to confirm that goods/services have been received by 31st March and are subject to a de minimis limit of **£10,000** for Capital and **£2,000** for Revenue (per CFR Code).

The year-end statement requires you to enter, unreconciled payments and receipts separately.

If using a Purchase Card, be aware of the charges which may be included in the March Purchase Card Statement. i.e., direct debit charges. Process cashbook journals or dummy cheques in the usual way to account for all the expenditure incurred - **See Section 5.6**

Netting off income/expenditure not relating to school e.g., hub funds passing through school but not used for activities within the school. CFR reports should only show income and expenditure relating to the school for appropriate benchmarking. Refer to your link officer for guidance here.

**4. Supporting Documentation**

Your Year End Statement must accurately reflect your school’s accounting system records. It is therefore essential that year-end items such as accrual adjustments be implemented on your school’s accounting system.

The Schools Finance Team will carry out several quality assurance checks on receipt of your return and will adjust figures not supported by the reports produced from the school’s accounting system. You will be advised of these changes and will be required to amend on FMS and re-submit returns.

The external auditors will carry out spot checks on a selection of schools at the end of the closedown process. They will look to ensure that the schools’ accounting systems fully support your year-end returns.

# 5. Accounting System Year End Procedures

## 5.1 Invoices to be paid by/to LBH

## Any invoices that need to be forwarded to LBH for payment should be received at LBH by 13th March 2024.

## Any invoices received for payment after this date will not be processed in the financial year 2023-24.

## All invoices from LBH should reach you by 15th March 2024 (you must be aware of any outstanding payments to LBH e.g., for transport, facilities, swimming, refuse, looked after children income etc.). If any LBH invoice is not received, please follow up with individual service providers to determine whether an accrual will be necessary. Schools should pay any LBH invoices received by 15th March in the current financial year and accrue those that are received after this date.

## Please mark all such accruals as ‘School to LBH’ accruals. These will be cross referenced with the LA accruals to ensure entries on both sides are accounted for.

If you have outstanding invoices for which a system cheque / payment has not been printed, then complete a cheque / Bacs run in the normal way before your March close. This means your Creditor balance will be NIL.

## 5.2 March 2024 Cash Advance

Ensure that any funding changes on the March cash advance have been reflected on FMS.

## 5.3 Check CFR Allocations

The 2023-24 funding awarded to your school through the cash advance must be fully allocated. Generally, there should be no CFR reserves.

To check your CFR reserves, select:

* Focus
* Budget Management
* Fund Allocation

The Fund Allocation, CFR Apportioned, and Budgeted amounts should all equal the total funding available as shown on the cash advance summary March 2024. The reserves (Central Funding on the I&E Report) amount should be zero but due to rounding may show a small amount (if this is over £5 please contact your link Schools Finance Officer).

## 5.4 Year End System Check Report

To check the system and assess what further preparation needs to be completed before closing the year, select:

* Reports
* Year End
* System Checks **before** your Early Close date

This is to allow you to post any journals, outstanding Accounts Receivable invoices or credit notes in the correct period and month. Any outstanding Accounts Receivable transactions of this nature must be posted before this date, as failure to do so will result in you being unable to post outstanding invoices and credit notes in the previous year.

## 5.5 Petty Cash

Post any outstanding vouchers relating to the 2023-24 financial year including all staff reimbursements. Remember to include any last-minute reimbursements from the bank and to review outstanding unreconciled items above 6 months.

## 5.6 Bank Reconciliation

Most schools have set up an on-line facility to view statement information. This should be used to complete the Bank Reconciliation for **all** relevant accounts, by printing statements which include all transactions up to the last working day before your March Early Close. It is best to print a statement early the following day so that itcaptures any transactions taking place overnight on the preceding working day.

If on-line viewing is not a current option, your bank may be able to supply a copy statement/transaction report to you or make available at your local Branch and we recommend you arrange this in advance.

Please arrange to receive your bank statement(s) giving the March 2024 closing position, for **all** relevant accounts, as soon after that date as possible.

Complete your bank reconciliation to say 14th March(to deal with any queries and amendments required) **and then again to your selected close day up to the 25th March** closing balance and produce the SIMS FMS bank reconciliation reports *before* reconciling any items in the new financial year. We recommend no processing takes place until the year end procedures are completed.

Purchase Card Transaction Statement – Check for any charges that may be included on the March Statement. For any transactions that are not included in the latest statement, it is unlikely an expenditure accrual is appropriate given the sums involved. **Refer to Section 7.2 (Accruals)**.

For those schools using a ‘CL’ ledger code, the balance of outstanding items will need to be entered on to the Expenditure Accruals tab, no journal entries will need to be passed in FMS.

* An Unreconciled Items Report, leaving Bank details ‘blank’ will summarise the outstanding items and can be used as backup

or alternatively

* A Charge Account Transaction Report can be generated:
* Reports
* Accounts Payable
* Payments
* Charge Account Transaction Report.

Check and cancel any old (over 6 months) un-reconciled cheques. These can be cancelled through:

* Focus
* Accounts Payable
* Cheque Processing
* Select the cheque number and click on the red cross to cancel

Please ensure that cheques cancelled off the system are also stopped at your bank. A record of all cancelled cheques should be retained for audit purposes.

If you are not intending to re-issue the cheque the invoice should be removed from SIMS FMS too through:

* Focus
* Accounts Payable
* Invoices/Credits
* Select the invoice
* Click on the red cross on the toolbar to cancel

Guidance to produce the Bank Reconciliation Report can be found in our Financial Reports Guidance.

Where possible invoices for expenditure incurred in 2023-24 should be processed before final closure to reduce the number of accruals. **Payment of invoices dated 1st April 2024 or later must not under any circumstances be recorded in the 2023-24 financial year, due to implications to your VAT report and for audit purposes.** Finalise the closing process for 2023-24 before recording new payments for the next financial year.

For those schools using **BACS**, you must reconcile all BACS transactions to your bank statement before running a Preliminary Close as BACS runs DO NOT transfer across years i.e., they will NOT appear on bank reconciliation in the new year.

**A warning message will be displayed if you decide to run a preliminary close within one calendar month of year end or a BACS run within the last month of the year. The warning message asks you to ensure that all BACS transactions and possible contra transactions have been reconciled to the bank statement, as outstanding BACS files will not be transferred to the new year.**

## 5.7 Bank Balances as of 31st March 2024

Schools need to authorise their bank to provide the 31st March bank balance(s) to the Local Authority’s appointed Auditor (Ernst & Young). Appendix G is a sample template letter which can be used by schools to send to the Lloyds Bank’s central audit team or their relationship office, giving instructions to provide this information to the auditors. Schools banking with anyone other than Lloyds, may use Appendix H, to also renew their instruction by letter to their bank. Schools that have set up new bank accounts this year i.e., during 2023-24 or changed signatories on existing accounts will also need to confirm authorisation. Getting this right will ensure you are not chasing bank signatories and resending letters when auditors are unable to obtain confirmation from your bank. Once you have issued these letters, please send a copy to [schoolfinancereturns@hillingdon.gov.uk](mailto:schoolfinancereturns@hillingdon.gov.uk) by **Friday 23rd** **February 2024,** in order that these can then be passed to the auditors**.**

There will be a further process again this year where the headteacher will have to authorise access to information via an email from the external Auditors, Ernst & Young addressed to the Headteachers directly, asking for ‘Your electronic authorization is required’.

Sample of the email:

*XX at Ernst & Young requires an electronic signature to provide authorization to complete your financial statement audit.*

*This authorization allows Ernst & Young to request information deemed relevant to the completion of your financial statement audit. Without this authorization, Ernst & Young cannot request or obtain information from third parties on your behalf using Confirmation. You have 90 days to provide your authorization. Read about our User Agreement here.*

Please ensure that you notify your Headteacher prior to receiving this email and that they click the required authorisation box from confirmation.com.

## 5.8 New Financial Year 2024-25

After completing your bank reconciliation, you should create the new financial year 2024-25 in SIMS FMS. (If you have opened the new year earlier for any reason and have made changes to the structure you will need to manually update structures (Tools/Define Financial Years/ Update Next Year Structures)).

* Tools
* Define Financial Years
* Define/Edit Years
* Select ‘+’
* Add ‘2024-25’
* Save
* Select ‘2024-25’
* Select ‘Open Year’
* Save

Next set up salary periods

* Tools
* Define Financial Years
* Define Salary Periods (calendar months)
* Click on plus sign to add new financial year (2024-25)
* Save

Check VAT end date is **31st March 2024** for the financial year 2023-24

* Tools
* Define VAT periods
* Select 2023-24 year in the top window by scrolling down as necessary
* Quarter end dates then appear in bottom window
* **If period 4 does not end on the 31st March 2024, do not proceed, and refer to your link officer.**

Next set up VAT periods

* Tools
* Define VAT periods
* Click on plus sign to add new financial year
* Description should be 2024-25
* Check start date is **01/04/2024** andend date is **31/03/2025**
* Click on Quarterly button
* Save
* Check quarter end dates are 30/06/2024, 30/09/2024, 31/12/2024 and 31/03/2025, clicking on edit button if amendment required and save changes.

## 5.9 Delete Obsolete Commitments

Commitments (accounting entries reflecting purchase orders and salary commitments) must not be included in school year-end figures.

Schools should verify purchase order commitments and delete any that are no longer appropriate (e.g., those that have been paid or cancelled, by printing an outstanding purchase order report). The rest will be rolled forward into 2024-25 when you create the 2023-24 period 13 and process a Preliminary Close.

## 5.10 Produce Aged Creditor Report

At year end it is good practice to ensure that cheques/ payments are issued for all invoices on the system. If you have invoices approved in SIMS FMS for which the cheque / Bacs run has yet to be issued/ processed the value of these items will be shown on your SIMS FMS system as a ***creditor control balance***. Creditor control balances should be reviewed by analysing your Aged Creditor report which is produced as follows:

* Reports
* Accounts Payable
* Supplier Analysis
* Aged Creditor
* Select Detailed Report
* Select Exclude Zero Balances

If you are satisfied that the balance is a true reflection of invoices processed for which cheques / payments were not issued for 1st April, please include this balance on your Accrued Expenditure form (Section 7.2). Send in the Aged Creditor report as supporting documentation.

## 5.11 Produce Aged Debtor Report

If you have issued invoices through SIMS FMS Accounts Receivable for which payment has not been received (or not matched against the invoice raised) then your SIMS FMS system will have a ***debtor control balance***. Debtor control balances should be reviewed by analysing your Aged Debtor report which is produced as follows:

* Focus
* Accounts Receivable
* Report
* Aged Debtor Report

If a balance is present this should be verified. If you are satisfied that the balance is a true reflection of payments due to the school for which payment has not been received by 1st April, please record this balance on your Income Accrual form. Submit the Aged Debtor Report as supporting documentation. Where balances can be confirmed as incorrect because funds have been cleared by another route i.e., Cash Book journal or non-invoiced income, then the balance should be written off. Where the debt is over a year old or its collection is in doubt, a provision should be made in the accounts for bad debt (Section 7.2).

## 5.12 Produce Commitments report

To evidence orders as of 31st March you must produce a List of Outstanding Purchase Orders report before clearing commitments into 2024-25 (which happens as part of the Preliminary Close).

In 2023-24, select:

* Reports
* Accounts Payable
* Purchase Order Reports
* Purchase Orders
* Select Outstanding Orders and OK

Purchase orders issued (therefore printed and partly invoiced) by 31st March relating to your revenue expenditure should be reviewed so that historic orders or those paid as Non – Order invoices are deleted.

To cancel a Purchase Order, click on the red cross - cancel order/clear remaining order commitment icon - in the top right. For an authorised order where individual lines need to be deleted the smaller green cross can be selected on the right. Reprint the report as necessary.

## 5.13 Salary Commitments

At year end all salary commitments should be deleted. To check if you have any outstanding refer to the last page of the Income and Expenditure Report and check if there is a value against ‘Commitment, salary’, this should read 0.00. To delete salary commitments, select:

* Focus
* Personnel Links
* Salary Projection
* Select the red cross ‘Clear Commitment’ in the top right
* Click on the browser
* Select March in the ‘Commitment for Period’, tag the outstanding lines
* Select ‘Clear Commitment’ box
* Save
* Repeat, if required for all periods by selecting February, January etc until all lines have been cleared.

## 5.14 Year End System Check Report

Run this report again (5.4 refers) to ensure FMS is ready for a Preliminary close to be run.

# 6. Early Closure

This year we are requesting that ALL schools carry out an 'Early Closure', reconciling to a bank statement from **Friday 15th March to Monday 25th March** (depending on the selected closing date). If this presents a problem, please contact your Link Officer as soon as possible. There will be no opportunity to carry out a second reconciliation as there is a tight deadline of **Tuesday 26th March 2024**.

Please contact your link officer as soon as possible to advise the date on which you intend to close.

The earliest bank statement for year-end reconciliation using this option must be to **15th March 2024 or later**, reconciliations to statements before this date will not be accepted. As there will be no second reconciliation, schools carrying out an early close must submit a full year end return including working papers for any accruals by **Tuesday 26th March 2024**. It is expected that you will be aware of any direct debits or credits to affect your bank account between your closing date and 31st March and therefore no material changes should take place between your early close and the 31st March 2024, if in doubt, please contact your link officer. Please Note, as the last working day this Term is Thursday 28th March, once you have completed your Early Close, we also require a Bank reconciliation to the 31st March in the new financial year, to be submitted to the LA **by Friday 19th April 2024**, thus enabling the auditors to verify what transactions have been passed during this time.

**To process a year end accrual, you will first need to create a New Financial Year 2024-25 as per Section 5.8. You will need to be in 2023-24 and select:**

* Focus
* General Ledger
* Manual Journal Processing
* Add new Journal (+)
* Select Normal Journal and tick ‘Reversing Journal’
* Click ‘Next’
* Do not tick – ‘Use an existing template’
* Click ‘Next’
* Select Period 12 (Mar) from the browser
* Add Narrative and click Next Year – 2024-25
* Select Period 1 (April) from the browser for Reversal Period
* Click ‘Next’ and ‘Finish’
* One side of the journal will be posted to the ledger code and the other to balance sheet code LIAB or ASST. (Entries will be reversed automatically in period 1 of 2024-25). The codes to use are dependent upon the type of year-end item you are processing. Please follow **Section 9.2** on Accruals for further guidance.

By following the early close process, FMS will NOT allow schools to perform a Preliminary Close before 31st March, this will need to be completed in April.

Please note, **no further transactions should be entered on FMS in 2023-24 after an Early Close takes place** including when you return from the Easter holidays as the position reported in your early close returns will have to be taken as your final year end position. Contact your Link Officer if you are aware of any transactions that have been processed in error.

Please follow the process to generate the required reports as shown in Section 8. Also, please see the full **Guidance on how to run and email Reports**, including transmitting the Staff Remuneration form via secure transfer.

After 31st March 2024 or on returning from the Easter Holidays, please refer to **Section 6.2**.

**6.1 VAT**

Once the Early Close is completed, a Q4 Short Summary will be required to be submitted as part of the Year End Returns, arrangements should be made to generate a hard copy of the VAT Submittal report and VAT Submittal (MTD) report in Excel on or after Tuesday **2nd April 2024**, check the values match with the Q4 Short Summary and email to the team. In addition to these reports, a Full VAT (MTD) report in Excel is also required. Please email all 3 reports as soon as possible after this date to [schoolfinancereturns@hillingdon.gov.uk](mailto:schoolfinancereturns@hillingdon.gov.uk)

**6.2 Finalising Reports after Early Closure - Procedures on return to school**

Please carry out the following procedures before any transactions are made within FMS. Having performed an Early Close, you may require assistance, please contact your link officer who will be happy to use GoToAssist/Teams with you.

* In 2023-24 check SIMS FMS Income and Expenditure Report (To Period 13):
* Reports
* CFR
* I&E Report
* Select Period 13

Check that no values have changed since the I&E Report was submitted for Early Close and Print

* Quarter 4 VAT Submittal Report & VAT Submittal (MTD) Report, if not generated since 2nd April (these will have to be run from 2024-25 year in FMS so you will need to change the year). These reports should only be run once you are certain that no amendments have taken place to VAT in 2023-24
* Change year back to 2023-24
* Complete a Preliminary Close - see Section 7.1
* Summary Trial Balance by ledger code showing all funds and to period 13
* Reports
* General Ledger
* Trial Balance
* Summary Trial Balance, by Ledger Code
* Period '13', leave fund blank, untick hide FC/FD

Again, ensure no values have changed since the early close version was submitted and Print

* Generate a Cost Centre Summary (to Period 13) for each Fund used on FMS and Print
* Next, change year to the new financial year 2024-25
* Perform a Bank reconciliation from your selected Early Closure date to 31st March 2024, print the Bank Reconciliation, Un-Reconciled Listing and Bank Statement.
* Send the printed I&E Report, Cost Centre Summary, Summary Trial Balance, Bank Reconciliation documents, VAT Submittal and the Year End Statement, all signed documents as per Section 8 to Schools Finance Team

After a Preliminary Close has been performed, the following reports should then be verified by your Link Officer. If there are any queries or you are submitting signed reports, then they should be emailed to schoolfinancereturns@hillingdon.gov.uk:

* Income & Expenditure Report to Period 13
* Cost Centre Summary to show commitments are nil
* Summary Trial balance Report
* Signed VAT Submittal & VAT Submittal (MTD) and VAT Full Report (MTD) in Excel
* Copy bank statement to 31st March to assist with potential queries from the auditors
* Copy bank reconciliation to 31st March including bank statement(s), Bank Reconciliation and Unreconciled Items listing

N.B. The next bank reconciliation beyond the early closing date can only be completed after the preliminary close in 2023-24, in the new year 2024-25 after the main reports have been checked, as above.

# 7. Preliminary Close and Year End Accruals

## 7.1 Create 2023-24 Period 13 (Running a Preliminary close)

Once the Early Close process has been completed and your link officer has completed their checks, you will be able to complete a Preliminary Close. This is usually after the Easter break.

Purchase Order Commitments (accounting entries reflecting purchase orders) will not be included in school year-end figures. They instead will be rolled forward into 2024-25 if still outstanding when the preliminary close routine is run or should be cancelled if no longer outstanding at year end.

To create period 13, you must run a preliminary close. When prompted to transfer all central transactions – select ‘Yes’. You will only be able to run a preliminary close if you have first created the 2024-25 financial year (see 5.8 above). You will need period 13 for your year-end journals (by exception only, if you are **not** performing an Early Close and instead are closing in April).

To produce a preliminary close:

* Select Tools
* Select Define Financial Year
* Select Define/Edit Years
* Select 2023-24
* Select Preliminary Close
* Select ‘Yes’ when you are prompted with a CFR warning message

A number of system checks will take place and the preliminary close only completes if there are no ‘red cross’ errors.

If a red cross appears, select report, and resolve the problem reported on the printout before attempting the preliminary close once more.

* Click on continue
* Select ‘Transfer all central transactions’ (when Prompted)
* Click on continue

BACS - schools using Bacs will receive a message 'All Bacs transactions, including any associated contra transactions, generated within the financial year you are about to close must be reconciled to bank statements.....' so should ensure their bank reconciliation is complete.

Transfer of data into the new financial year will now take place. Again, system checks will take place and the preliminary close only completes if there are no ‘red cross’ errors. If a red cross appears, select report, and resolve the problem reported on the printout before attempting the preliminary close once more.

* Select Perform close
* Select Save

Schools must await the Schools Finance Team confirmation of year-end balances before implementing the final close. This will usually be in June of the new financial year

## 7.2 Accruals – De minimis Amounts: Revenue - £2,000, Capital £10,000 per CFR code

The details of all accruals must be recorded on the appropriate ‘Tabs’ of the Year End Statement, labelled Appendix A (1) to Appendix A (6).

The different categories of accruals differentiate the types of accruals. Accruals need to be processed as:

* + School to School (Excludes Academies, always check with the other school that a corresponding payment or accrual is also being processed)
  + School to LBH (follow up on outstanding payments by 1st week in March)
  + Local Government Bodies (e.g., other London Boroughs where Out of Borough SEN income is due)
  + External - School to Others (Including Academies)

Accruals ensure that expenditure is accounted for in the correct financial year by recording an expense against the relevant budget. Invoices for goods and services received before 1st April should wherever possible be paid by 31st March. All invoices paid after closedown MUST be posted to the 2024-25 financial year.

**Expenditure Accruals (Revenue - Appendix A(2) and Capital - Appendix A(1))**

Where a payment of £2,000 (£10,000 for Capital) or more is outstanding on 31st March (15th March for Capital) for goods or services received prior to 1st April, record as an accrual on **Appendix A (2) or Appendix A (1) for Capital.** Details recorded must include a description of the goods or services received from the supplier, whether the supplier is School to School, School to LBH, Local Government Body or External - School to Other, the value (excluding VAT) and the ledger code to which the accrual is recorded, at this point check that the de minimis values per CFR code are adhered to. It is important to correctly identify the types of accruals because internal accruals MUST be reconciled with LBH accruals. Examples of accruals include the following:

* Purchase of computer received in 2023-24 - not invoiced until 2024-25
* Supply staff working up to end of March 2024 - invoice to be paid in 2024-25
* Gas used from November 2023 to March 2024 - invoice not received until April 2024 or later
* Schools owing funds to a partner school for expenditure incurred in 2023-24 e.g., joint invoices/services or for a Premises Manager salary cost

It is recommended that an aged creditor report is run to check on outstanding balances.

Don’t forget to include your Creditor Control balance if applicable (Section 5.10).

Utilities (gas/electric) - where these are not paid up to date then expenditure should be accrued, this does not include water. The de minimis does not apply as amounts across the Local Authority exceed this level so most schools will accrue their gas and electric costs.

**Income Accruals – Appendix A (3)**

Record income items of £2,000 or more due as of 31st March where the income has either not been received or an invoice has not been raised through SIMS FMS Accounts Receivable in the 2023-24 financial year. Examples include the following:

* Letting of school premises in 2023-24 (not already in Accounts Receivable) but income still not received as of 31st March
* Maternity, sickness, or other insurance reimbursements relating to the financial year 2023-24 (amounts should be confirmed with insurance providers)
* NQT loan balances - Schools that have issued NQT loans may have balances at year end on ledger code A055 - Other Employee Costs. To enable payments against this, the balance must be transferred to the new year by processing an income accrual against this code. The accrual will transfer the loan balance from 2023-24 to 2024-25 to enable repayments to be recorded against it in the new financial year
* Where the LA requests that a negative Income Accrual be made, for example in respect of EHCP top-up funding, the Income ledger code should be debited, and a corresponding credit put to Assets with a negative entry being detailed on Appendix A (3)
* Cash Back from catering providers for services delivered

Where invoices have been raised through Accounts Receivable, the Debtor Control balance (Section 5.11) should be recorded on your Income Accrual form.

**Prepayments – Appendix A (4)**

Record any payments of £2,000 or more posted to the 2023-24 account, which relate to goods or services to be received after 31st March. For example, if a school has paid ESS for SIMS services provision in the following year, this should be recorded as a Prepayment. These items will need to be included in the following year’s budget.

##### Income in Advance – Appendix A (5)

Income in Advance journals are processed to move income into the next financial year. This is normally applicable to income received for one year but the period to which it relates is in the following year. These items will normally be included in the following year’s expenditure budget. The following examples will provide further clarity:

* Trip income collected in 2023-24 but trip not taking place until 2024-25 therefore income relating to the School Trip to be moved into 2024-25 via an Income in Advance journal so that income and expenditure relating to the trip is shown in the correct financial year although actual collection is in a different period.
* Catering income received from parents in the current year but relates to school meals the following term
* Breakfast Club and After School Club income received from parents via ParentPay received in the current year but relates to the following term in the new financial year

**An Income in Advance accrual should not be performed for remaining balances of ring-fenced grants. Instead, the balance should be carried forward to the next financial year as ‘restricted carried forward budgets’. An appropriate expenditure budget for 2024-25 should then be allocated against the relevant Cost Centres. Examples here include Pupil Premium, PE & Sports Grant, any of the COVID Catch-up Grants & Revenue Contribution to Capital (RCC).**

If your school has received an advance of Cash Advance (Cash Advance Reprofile and formerly known as a ***cash loan)*** from LBH, you must include the outstanding loan balance in this section. The description on the Income in Advance form must read ‘CASH ADVANCE REPROFILE - LBH’ and the amount must equal the outstanding balance as of 31st March. This will be treated as a School to LBH accrual.

Outstanding Cash Advance Reprofile balances are reported on Cash Advance statements.

**Accrual Consolidation**

It should be noted that the de minimis is per CFR code. Where there are several expenditure or income items on the same CFR code, which when consolidated exceed the de minimis then accruals should be made. Example - if you have two 2023-24 costs for temporary staff of £1,500 each then you should raise accruals totalling £3,000.

**Bad Debt Provision**

Where a debt is over a year old or its collection is in doubt, schools should make provision in their accounts for a bad debt. Review all income on your debtors list to form a decision on provisions.

To make a ***bad debt provision*** you must first make a prudent assessment as to how much of the invoice issued and recorded on the school’s accounting system is unlikely to be paid. You should then post an Income in Advance journal and clearly report it on your Income in Advance form as ‘Provision for Bad Debt’. Schools should provide bad debt provision for all amounts of more than 1 year old.

For trade debtors (where income is owed for trading activities (i.e., Lettings)) IFRS 9 requires an impairment should be made rather than a bad debt provision. This is something that we will apply centrally and to assist with this please ensure that you include clear details on Appendix A (3) of any income accruals that you have raised.

If you have a bad debt relating to an over payment of salary that is greater than £2,000 then a provision is required. Any salary over/under payments being transferred to schools by Payroll Providers, should be investigated and if necessary, a provision or an accrual created.

**Payroll Control – Appendix A (6)**

Take this figure from your Summary Trial Balance by Ledger Code (or typically page 5 of your Income and Expenditure report), ensuring that you supply a breakdown by employee of the balance annotating the worksheet with the details.

Schools using external payroll providers where NI, Superannuation and Apprenticeship Levy is paid in arrears may have March commitments outstanding on this code. A balance on Payroll Control signifies that the cost of payroll to 31st March has not been paid in full to the school’s payroll provider.

Some schools may perform Payroll Cash Book journals for these amounts, in which case these will sit as items on the Un-Reconciled Listing report and will not be part of the balance on the Payroll Control.

Any amounts other than NI, Superannuation and Apprenticeship Levy pending should be investigated and details listed on Appendix A (6).

**No Journals need to be processed on FMS for amounts outstanding on Payroll Control.**

# 8. Producing Year End Reports

**8.1 SIMS FMS Reports**

To fill out your Year End Statement you will need to refer to several reports. These reports must also be sent in, to The Schools Finance Team in support of your Statement:

* SIMS FMS Bank Reconciliation Report (one for each bank account)
* SIMS FMS Un-reconciled Items Listing (one for each bank account)
* SIMS FMS Accruals/Journal copies (with school name annotated on each sheet)
* Income and Expenditure Report (To Period 13) (Reports - CFR - I&E Report - Select period 13)

**8.2 VAT Reports**

* Quarter 4 VAT Submittal Report and VAT Submittal (MTD) (these will have to be run from 2024-25 financial year in FMS so you will need to change the year). These reports should only be run once you are certain that no amendments to VAT are necessary in 2023-24 and after checks with the VAT Short Summary print. A VAT Full Report (MTD) report should also be generated and saved in Excel format.
* If the VAT Short Summary report for Q4/VAT Submittal report and the VAT balances on page 8/9 of the I&E report don't match, run a VAT Short Summary report for Q1 2024-25 after the VAT Submittal has been run to aid the reconciliation.

# 8.3 Submission to the Schools Finance Team

We anticipate most of the returns will be e-mailed to us so we can commence our checks without delay.Signed documents should be scanned in as PDFs and e-mailed.

**Your Year End Statement, Appendix A (1-7) must be sent in excel format so that the accruals can be copied directly from the excel sheets to our analysis documents. A copy of this statement, signed by the Headteacher is also required.**

Please refer to Section 1a Returns Guide page 5 for ALL items to be submitted to the Schools Finance Team. These include:

* **Staff Remuneration Form, (Appendix E)** To be transmitted by either using USO-FX method or by e-mail using password protected Excel file (please see **Appendix C** for instructions on how to transmit these documents)
* **IR35 Annual Declaration, (Appendix F)** Schools should comply with IR35 guidelines by checking the IR35 status of a worker. Appendix F, IR35 Annual Declaration Form, should be signed by the Headteacher and submitted to Schools Finance Team by **Friday 23rd February 2024.** Schools can determine the IR35 status of a worker by: completing [HMRC’s Check Employment Status for Tax (CEST) online questionnaire](https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fguidance%2Fcheck-employment-status-for-tax&data=04%7C01%7C%7C06d6a859555742bd3f7908d8ce69e060%7Caaacb679c38148fbb320f9d581ee948f%7C0%7C0%7C637486301410968163%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=LM97elPak8UEyELPipu9sqWPJVvxNd3L2KfMfvNZkuE%3D&reserved=0).

No adjustments should be made to the accounts once the final return for the year has been submitted as balances reported on your final returns are reflected in the LA’s final accounts and any variances will be scrutinised by auditors.

**9. Year End Statement Return**

Before you go on to complete the Year End Statement, please ensure that you have completed all of Sections 5 and 6 above.

This Statement Return (Appendix A) is in two parts A and B and includes a declaration for the Headteacher to sign once both parts are filled out. The top Section A has links to Appendices A1, A2, A3, A4, A5 & A6 and is partially completed for you and should be completed first followed by Section B at the bottom.

Should Sections A and B of Appendix A/Year End Statement not balance, a variance will be highlighted. Appendix B is the supplementary form to complete to help pinpoint the source of variances. Please complete all fields highlighted in yellow only, as there are formulae in other cells.

**9.1 Year End Reconciliation – Section A (Appendices A (1) to A (6))**

Firstly, select your DfE number from the drop-down box. This will pre-fill several boxes with key balances.

Bank Balance as of Early Close date, as per Bank Statement

Enter the closing bank balance on the chosen Early Close date. Take this information from your bank statement(s) (and not SIMS FMS). If there is more than one bank account held, these should be added together.

Any balances held in fixed term deposits should be identified separately on the Year End Statement as these will be classified as short-term investments rather than cash at bank in the final Statement of Accounts. A copy of the fixed term deposit agreement should be sent to the Schools Finance team.

Un-reconciled Items

As per your SIMS FMS Bank Reconciliation and Un-Reconciled Listing Reports, printed as at the Early Close.

No cheques issued after this date should be included in your school’s un-presented (un-reconciled) year-end listings. All cheques issued after this date must be recorded on your school’s financial system in the 2024-25 financial year and we recommend these are not processed before the year end procedures are completed.

There should be no income present on your Un-Reconciled Listing other than where income was paid into the bank on or before the 31st March but not included as at the Early Close date bank balances.

Closing Cashbook Position

This is a formula driven field and should match the closing bank ledger balance on SIMS FMS. You can check against the bank balance given on your Summary Trial Balance.

#### Year End Items

The values in here are drawn from the entries made on the following forms (see Appendices A (1) to A (6))

* Expenditure Accruals (Revenue and Capital)
* Income Accruals
* Prepayment
* Income in Advance
* Payroll Control

Please Note: Items listed must be identified under the appropriate accrual categories.

Payroll Control

Where there is a balance outstanding then supporting documentation should be provided.

#### VAT

Record VAT reimbursements due to the school as of Early Close date. This will be as per the net figure on your year-end ***SIMS FMS Income & Expenditure*** report (usually page 7/8) as at the time of closure and NOT from any VAT reports.

Petty Cash Accounts

Record your petty cash balance as at the Early Close date. All vouchers reimbursed to Early Close date should be reflected in SIMS FMS in 2023-24. Vouchers reimbursed after Early Close date should be processed in 2024-25.

#### Accumulated Balance (A)

This is a formula driven field. The carried forward balance is subject to LBH agreement and potentially External Audit scrutiny.

## 9.2 Inputting journals

When entering your expenditure accruals, income accruals, prepayments and income in advance journals please first ensure that you are in the 2023-24 financial year, Period 12.

Sort your accruals into separate categories, i.e., School to School, School to LBH, Local Government Bodies and External – School to Other transactions ready for keying separately.

Go to *Focus - General Ledger - Manual Journal, click on ‘+’ –* and select ***‘Reversing Journal’.***

Narrative: Year End Item *(for clarity, you can enter header as year-end expenditure, prepayment, or advance income, etc. It may also help to separately head each category - ‘School to School’, ‘School to LBH’ or ‘External - School to Other’).*

* Reversal Year: 2024-25
* Reversal Period: April (Period 01)
* One side of the journal will be posted to the ledger code and the other to balance sheet code LIAB or ASST. (Entries will be reversed automatically in period 1 of 2024-25). The codes to use are dependent upon the type of year-end item you are processing as below.
* Expenditure Accrual
  + Debit the ledger code (e.g., Axxx)
  + Credit LS (Liabilities) school code e.g., LIAB
* Income Accrual
  + Credit Income ledger code (e.g., Axxx)
  + Debit AS (Asset) school code e.g., ASST
* Prepayment
  + Credit Expenditure Ledger Code (e.g., Axxx)
  + Debit AS (Asset) school code e.g., ASST
* Income in Advance
  + Debit Income Ledger Code (e.g., Axxx)
  + Credit LS (Liabilities) school code e.g., LIAB

**All amounts should exclude VAT.** Ensure a print is run off for the journals passed as these will need to be sent to the LA as part of your return.

**Please remember** that the Capital accruals will have to be processed on FMS as per the previously submitted Capital accruals form. There should be no change in capital balances on FMS to what has been submitted on your Quarter 4 Return.

Contact your Finance Link Officer if capital balances on the final return are different to that submitted on your Quarter 4 Capital Return on 15th March.

System creditor and system debtor balances are already included in SIMS FMS and therefore reversing journals must not be done for these balances.

**9.3 Supporting Documentation**

Schools must provide copy documentation (such as invoices) to support all closedown accruals and prepayments. **In the case of capital accruals, only an invoice will be accepted as supporting evidence.** We recommend that each item of supporting evidence is cross referenced to the list on the Appendices. Copy documentation supporting accruals or prepayments must be forwarded to the Schools Finance Team with the year-end statement. Adjustments will be made where satisfactory supporting evidence is not provided.

As in previous years, the Council’s external auditors will select a sample of schools to verify the validity of closedown adjustments.

## 9.4 Year End Reconciliation – Section B & producing SIMS FMS reports

Now that your accruals have been keyed on FMS the expenditure / income values will have changed so a further Income & Expenditure report will need to be generated together with a Summary Trial Balance report and Cost Centre Summary. These should be produced as follows:

* Income and Expenditure Report (To Period 13) (Reports > CFR > I&E Report > Select period 13).
* Cost Centre Summary (Reports > General Ledger > Transactions > Cost Centre Summary Transactions > Cost Centre Summary by Cost Centre > Select Period 13). For those schools that have more than one ‘Fund’, please print a Cost Centre Summary for each ‘Fund’ separately and one for ‘ALL’.
* Summary Trial Balance by ledger code showing all funds and to Period 13 (Reports > General Ledger > Trial Balance > Summary Trial Balance > By Ledger Code > Period 13, leave Fund blank and untick hide FC/FD)

#### Total Expenditure 2023-24

Enter the expenditure totals from pages 2 and 4 of your I&E Report.

#### Total Income 2023-24

Enter the income totals from pages 1 and 4 of your I&E Report.

#### Balance Brought Forward

These fields are pre-populated with the closing balances from 2022-23.

#### Net Closing Balance

These are formula driven fields. Please note that you cannot close your accounts with an accumulated capital deficit. If a capital deficit is shown, please refer to section 5 above and implement a revenue financing journal attaching a copy of this journal with the year-end information for submission to the Schools Finance Team.

## 9.5 Reconciling Sections A and B

Sections A and B should reconcile to each other. If there is an imbalance of more than £5 then the variance will be highlighted.

Schools can narrow down the area of the accounts to which the imbalance relates by completing the yellow cells on the SIMS FMS Summary Trial Balance Reconciliation to Year Statement form. See Appendix B for further guidance.

Should you be unable to pinpoint and rectify the imbalance, please contact the Schools Finance Team for support. Do not allow reconciliation difficulties to delay the submission of your return beyond 26th March. It is crucial that all returns are received by this date.

**9.6 Schools Closing by Exception – In April**

If you are closing in April and are entering your expenditure accruals, income accruals, prepayments and income in advance journals please first ensure that you are in the 2023-24 financial year, Period 13. Having successfully completed a preliminary close (see 7.1) you will have access to the Year End Adjustment reversing journal facility.

Sort your accruals into separate categories, i.e., School to School, School to LBH, Local Government Bodies and External – School to Other transactions ready for keying separately.

Go to Focus - General Ledger - Manual Journal, click on ‘+’ – and select **‘Year End Adjustment Reversing’.**

Narrative: Year End Item (for clarity, you can enter header as year-end expenditure, prepayment, or advance income, etc. It may also help to separately head each category - ‘School to School’, ‘School to LBH’, ‘Local Government Bodies’ or ‘External - School to Other’).

**Once all the year-end journals are completed, run another preliminary close – see 7.1**

# Please refer to section 9.4 for reports required.

# 10. Any Queries? Who to Contact?

If you have any queries or comments, please do not hesitate to contact the Schools Finance Team at the Civic Centre.

|  |  |  |
| --- | --- | --- |
| **Name / Title** | **Telephone** | Email |
| **Lead Finance Business Partner (Schools/DSG)**  Ndenko Asong | N/A | nasong@hillingdon.gov.uk |
| **Schools Finance Officers**  Greg Watson  Davinder Devgon  Steve Denbeigh | 01895 25 0451  01895 25 0458  01895 55 6107 | [gwatson2@hillingdon.gov.uk](mailto:gwatson2@hillingdon.gov.uk)  [ddevgon@hillingdon.gov.uk](mailto:ddevgon@hillingdon.gov.uk)  [sdenbeigh@hillingdon.gov.uk](mailto:sdenbeigh@hillingdon.gov.uk) |
| **Teachers Pensions Officer**  Elaine Hill | 01895 25 0985 | [ehill@hillingdon.gov.uk](mailto:ehill@hillingdon.gov.uk) |

Returns e-mail address: [schoolfinancereturns@hillingdon.gov.u](mailto:schoolfinancereturns@hillingdon.gov.u)[k](mailto:schoolfinancereturns@hillingdon.gov.uk)

Address: Schools Finance Team, London Borough of Hillingdon

Civic Centre, 4W/04, High Street, Uxbridge UB8 1UW.

As always, your co-operation is most appreciated, and we look forward to another successful year end. Please do not hesitate to call the Schools Finance Team for any assistance necessary to finalise your accounts.

Many thanks.

*School Finance Team*