

## PROCESSING OF NQT LOANS ON FMS

Loans are made available directly by schools to their Newly Qualified Teachers, where required.

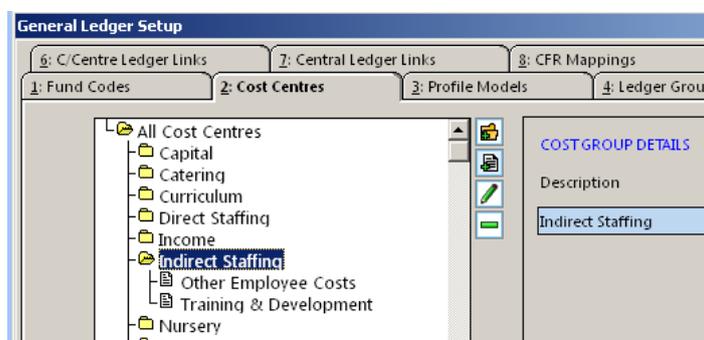
Although it is possible to keep the balances of these loans on Payroll Control, for easier monitoring and more transparency for management and Governors, it is recommended that the loan balances are tracked within a cost centre.

Initially a payment of £1,500 is made to the Newly Qualified teacher and is then repaid in monthly instalments over the following year. The loan and repayments should not be posted as an individual's pay on FMS but journalled in and out of an NQT loan cost centre.

### **FMS set up**

Create a Cost Centre "NQT Loan Balance" – it is recommended that as most schools have other employee costs cost centres in the 200s that this be given the cost centre number 203.

- Tools
- General Ledger Set Up
- Tab 2 cost centres
- Click on paper icon



- Complete next screen
- Save

Code	203
Description	NQT Loan Balances
Abbreviation	NQTLoan Bal
Holder	
Threshold	100
	<input checked="" type="checkbox"/> Check Spending

Create a ledger code "A055 Other Employee Costs" if not already set up.

- Tools
- General Ledger Set Up
- Tab 5 Ledger codes
- Click on



- Choose ledger type - Expenditure
- Choose ledger group - Expenditure
- Choose Fund 01
- Enter A055 and Other Employee Costs
- Choose VAT Out of Scope
- Save

## Map ledger code

- Tools
- General Ledger Set Up
- Tab 8 CFR mappings
- Scroll down and highlight E08
- Click on magnifying glass icon on the right hand side
- Highlight A055 on left and arrow over to the right
- Update
- Save

General Ledger Setup

1: Fund Codes 2: Cost Centres 3: Profile Models 4: Ledger Groups 5: Ledger Codes

6: C: Centre Ledger Links 7: Central Ledger Links 8: CFR Mappings 9: eProcurement Templates

CFR Headings

Table: Expenditure

Code	Heading
E04	Premises staff
E05	Administrative & clerical staff
E06	Catering staff
E07	Cost of other staff
E08	Indirect employee expenses
E09	Development & training

Mapped Ledger Codes

Code	Description
A051-01	Advertising appointments
A055-01	Other Employee Costs
A061-01	Lump sum redundancy
A062-01	Other severance payments
A154-01	Staff council tax
A208-01	Staff public transport

Buttons: Save, Validation Report, Copy Last Year's Mappings, Import, Export, Cancel, Help

## Link Cost centre and Ledger code

- Tools
- General Ledger Set Up
- Tab 6 C/Centre Ledger links
- Click on 
- Choose cost centre at top and ledger code below
- Click on Create Links button

Link Ledger Codes To Cost Centres

Available Cost Centres

Looking for: [ ]

Code	Description
301	Building & Repairs (Revenue)
302	Grounds
303	Energy
304	Rent/Council Tax
305	Rates

Chosen Cost Centres

Code	Description
203	NQT Loan Balances

Available Ledger Codes

Looking for: A055

Code	Description
A033-01	Schoolkeeper overtime
A034-01	Premises manager
A035-01	Other premises staff
A051-01	Advertising appointments
A059-01	Sickn.insur.premiums [teachers]

Chosen Ledger Codes

Code	Description
A055-01	Other Employee Costs

Buttons: Create Links, Cancel, Help

## Processing of loans

When a loan payment is made to an NQT this is not part of their pay and should not be processed as part of the payment to individual process.

There should be an entry on the left hand side for the total and a matching figure on the right hand side under the Normal Journals heading. If these do not appear then you will need to contact Dataplan for a revised reconciliation sheet. Values can be reconciled using the Departmental split report checking against the named individual.

SCHOOL NQT LOAN TO NQT

1500.00

The reconciliation sheet will then show the normal journal to be passed on the right hand side column.

SCHOOL NQT LOAN TO NQT	1500.00
CREDIT Payroll Control	
DEBIT NQT Loan cost centre	

### Monthly processing of repayments

There should be an entry on the left hand side for the total and a matching figure on the right hand side under the Normal Journals heading. If these do not appear then you will need to contact Dataplan for a revised reconciliation sheet. Values can be reconciled using the Departmental split report checking against the named individual.

LBH NQT LOAN	0.00
SCHOOL NQT LOAN	125.00

Ensure that the amount appears next to School NQT Loan

This sheet will then show the normal journal to be done on the right hand side column.

SCHOOL NQT LOAN	125.00
DEBIT Payroll Control	
CREDIT NQT Loan cost centre	

By processing both the initial loan and monthly loan repayments in this way the balance of outstanding loans will show on the cost centre. Please note only NQT loans can be made to staff and any other loans to staff members are not permitted.

### Year End Process

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 has to be transferred to the new year by processing an income accrual against this code. The accrual will transfer the loan balance from the old year to the new year to enable repayments to be recorded against it in the new financial year.

Schools Finance  
January 2017