

Attention school finance officer

For your attention and action

Dear Colleague,

Closedown 2018-19

The following is the 2018-19 accounts closedown procedures for maintained schools, the tasks generally replicate the processes being undertaken each month by schools and generally replicate those of previous years. See month-end processes checklist at end of this communication. This information and attachments are being provided now to enable schools to plan and maximise staff time over the next few months as we move toward the end of the financial year.

The end of the Spring term and the Easter break are, as is most common, not aligned this year with the last school day for the spring term not until 5 April while the financial year will end on 31 March 2019. Schools are reminded to take care during the last week of the spring term as all accounting transactions and entries into the school's SAP accounts will be in the new 2019-20 financial year.

The financial accounting period 2018-18 will close on 31 March 2019, schools will have access to and be able to access their accounting systems to this date. Schools are again asked to complete the necessary closedown tasks as early as possible and not process any accounting transactions, (raise POs, goods receive, pay invoices, process journals etc.) after 31 March, trying to post them into their 2018-19 accounts. This in effect means schools accounts, requiring school input will cease to be available for use at close of business on 31 March 2019. Payroll charges, procurement card transactional details and other end of month payments relating to March processed by the local authority will however be made into schools' accounts and posted into what will be at that time the "old" financial year (2018-19).

The need for schools to generate accruals is now considered immaterial to either schools' individually or the local authority's overall accounts. Therefore, schools will not be asked to, be expected to or permitted to raise any accruals. The only exception will, again, be a supply teacher accrual for March 2019 work (estimated at about £150k for all maintained schools), no other accruals will be raised. No accrual return is required from schools. Other local authority sections supplying services (meals and cleaning costs) to schools have been asked to ensure that their charges are processed into school accounts before end of the financial year or, if not material, carried over into next year (2019-20). Schools are therefore asked to give priority to any internal trading documents they receive during the final months of the financial year and process them promptly.

For schools scheduled to convert to academy status in the period 1 February to 1 April 2019 inclusive, due to accounting procedures adopted to calculate school balances to be transferred to the academy no supply teacher accrual will be made.

Given the above, it is expected that the schools' balances will be compiled and provisional confirmed before the end of May 2019. Schools will, of course, continue to have access to their financial records and will be able to include a near exact 2018-19 balance in their budget plans for 2019-20, long before any confirmation of the figures is issued by the local authority.

As mentioned above any year-end processes required to be undertaken by schools are based on the monthly processes previously circulated on the local authority's finance website and repeated at the end of this communication.

In addition to these year-end (monthly) tasks you need to undertake in your school's financial records you are also required to make the following returns:

- Capital return - A capital return pre-populated from your SAP account will be made available to schools around 20 March 2019. Schools will be asked to confirm the figures and return to TechnicalFinance@Oxfordshire.gov.uk by return but no later than **22 March 2019**. More on this will follow nearer the time.
- A return for Leasing Expenditure, Details of Vehicle Purchases and Disposals during 2018-19 accompanies this email (the format is an Excel workbooks) and is, once completed, to be return to TechnicalFinance@Oxfordshire.gov.uk by **28 March 2019**. You do not need to wait until year end to submit these forms. Once all transactions have been recorded schools can complete and send these forms into the Centre.

Guidance notes relating to individual returns will be included within the Excel workbooks. Where schools do not have anything to report on the returns a "NIL" response by e-mail is still required.

- Local Expenditure Accounts – Schools are required to reconcile expenditure processed through this account and ensure that the account is topped-up before year-end.
- Since 2015-16 schools have been required to complete an annual non-pay benefits return (reference P11D return). The IBC is required to make annual returns to HM Revenue and Customs (HMRC) showing all (non-pay) benefits provided to employees for itself and its partner organizations (including Oxfordshire). In order to make the return, details of all benefits and the employees who received them need to be provided, and a request for this information and explanation of what is required are attached. It is not expected that schools will have much to report or list on this return. Again, these returns should be sent to benefits@hants.gov.uk by **30 April 2019**.
- All forms included with this document will also be lodged on the local authority's Intranet.

With schools and the local authority required to comply with Whole of Government Accounting the time scale for these returns and closedown continues to be challenging and unfortunately, we have the complication of the financial year ending before the term ends.

The work undertaken by schools' supplements that which is completed by the local authority's Corporate Finance and is included as part of the local authority's year-end accounts (Section 251 Outturn Statement) and draft Consistent Financial Reports produced for schools.

During the CFR 2017-18 submission process to the DfE several issues were identified relating to individual schools' financial data. These issues required manual intervention within the CFR specific software before the schools reports could be uploaded into the DfE's website. An e-mail "Consistent Financial Reporting (CFR)" was sent to all schools on 10 July 2018 asking that specific action be taken to prevent this re-occurring in this financial year. If you have not already

done so please refer to the e-mail and make any necessary adjustment to your school's SAP accounts. For your convenience the e-mail is repeated in full at the end of this document.

Closedown Key Points

There are a few points concerning the returns and closedown process I should like to bring to your attention.

1. Please use the e-mail address stated as it has been specifically set up for this type of purpose.
2. Where schools miss any deadline, or errors have occurred, the local authority (LA) may be required to make its own adjustments to comply with accounting policies and closedown instructions. This may cause some additional work within the school as you may need to provide a reconciliation statement between your financial figures and those published in Section 251 Outturn statement. PLEASE ENSURE WHEN SUBMITTING CLOSEDOWN PAPERWORK A SCHOOL CONTACT IS PROVIDED ALONG WITH A TELEPHONE NUMBER.
3. Please make sure that any paperwork required to support the returns is also e-mailed.
4. Your school's Consistent Financial Report (CFR) will be generated centrally by local authority's Corporate Finance, agreeing the figures to the local authority's published Section 251 figures.
5. As part of the local authority's overall accounts International Financial Reporting Standards (IFRS) regulations require schools accounts to reflect the cost of any annual leave outstanding at the end of the financial year. Likewise an adjustment will need to be made for any flexi time, time off in lieu or other time due to staff which will be taken in the following financial year. It is expected that these adjustments will continue to be made at an aggregate level not directly into individual schools' accounts. No return is required from individual schools but schools may see the accounting entries in their online financial records.
6. All transactions generated by schools into their financial records must be processed by 31 March 2019. Any transactions to be entered after that date must be recorded in the 2019-20 financial year's accounts.
7. Although a period (month) 13 relating to 2018-19 will be opened in the local authority's accounts, schools are not permitted to make any entries in this period, no agreement from local authority's Corporate Finance to do so will be given. Any actual transactional entries made into this period will be undertaken by local authority's Corporate Finance only.
8. It is important that all those within schools responsible for closedown read and fully understand these guidance notes and any implications before beginning any of the identified month end/year-end closedown tasks.

Hopefully, based on the above and the guidance notes that follow you will appreciate that there is relatively little additional work related to closedown other than the routine monthly tasks currently being undertaken by you.

School Financial Accounts Closedown 2018-19

As in previous years the majority of the closedown work required within schools financial records will already have been taking place on a monthly basis.

Below is the monthly processes guide circulated with previous years closedown notes. In addition to the normal monthly processes to complete at year-end you are required to submit the following returns to the "Technical Finance" e-mail so that the local authority can reconcile and close your schools financial accounts:

- Capital Return – This return will be pre-populated from your capital accounts within your school's financial records. You must ensure that you have correctly posted your capital transactions within these accounts. This separate analysis is required to enable the capital accounts to be reported correctly on the local authority's balance sheet. Schools will be required to verify the figures and return it before the end of term in March. A separate e-mail as to what can and cannot be charged to Devolved Capital and what checks a school must make on their capital spending has previously been circulated separately to all schools. Please review its contents and take any appropriate action. Again for your convenience this e-mail is repeated in full at the end of this document.
- Accruals return – these are no longer required from individual schools. Please note that the local authority will accrue for supply teacher costs. Food with Thought (FwT) and centrally provided Cleaning Services costs relating to March 2019 will, where applicable, be processed into SAP prior to the end of the year. Schools need do nothing.
- Leasing and Vehicle returns. All school must make these returns even if the return is "NIL". No entries are posted into individual school financial accounts for any of the data entered on these forms. **Deadline 28 February 2019**. Please note that this deadline is significantly earlier than previous years. However, review of accounts has shown that it is unlikely to cause schools issue as the number of applicable transactions occurring in March is minimal.
- The local authority is required to review the information it holds relating to ICT capital items in schools. A sample of schools may be contacted to provide summary information as to the ICT equipment they have. This request will require limited information that should be readily available from the school's equipment inventory.
- No Annual Leave return is required.
- No return for the balances held within any cost centre on the EDxxxxNON node is required. All balances will be directly lifted from relevant cost centres, transferred to the balance sheet and where appropriate then from the balance sheet reinstated to the new financial year 2019-20.
- Schools are required to complete a non-pay benefits return (reference P11D return).

Once all schools financial accounting entries have been confirmed and processed the necessary final accounting adjustments will be made within each school's accounts, transferring your school's in-year balances to your school's reserves held on the local authority balance sheet. These will be the last accounting entries relating to 2018-19 for schools to be processed.

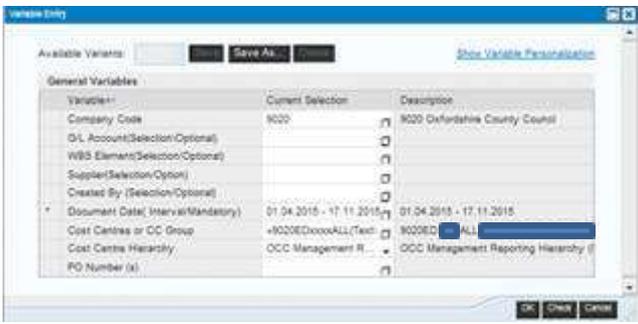
Any transactions raised by schools made into the 2018-19 accounts after the dates shown will be moved to the new financial year 2019-20.

KEY DATES

DATE	WHO	ACTION
End of each month	School	Undertake and process all month end tasks as required (see below MONTH-END PROCESSES CHECKLIST)
18 to 22 February 2019	All	February half term holiday
Provisional 15 Feb 2019	School	Review possible capital coding errors (cost centre and/or gl coding) and correct
By end of Feb 2019	Corporate Finance	Supply accruals posted to school accounts. Estimates based on April 2018 actual.
28 Feb 2019	School	Deadline for submission of leasing expenditure, details of vehicles purchases and disposals
Provisional 15 March 2019	School	All transactions relating to school's <u>capital</u> accounts to be completed
20 March 2019	Corporate Finance and Schools	Pre-populated Capital return to be sent to all schools from the centre. Schools should validate their capital return figures and return to Centre by 23 March
22 March 2019	School	Schools to notify local authority of any changes or discrepancies on draft capital return
Provisional 28 March 2019	School	Last date for schools to enter invoices relating to goods and services in 2018-19 for spend to be included in 2018-19.
	All	Last date for internal trading requests to schools for internal goods and services provided or received in 2018-19
	School	Last day for LEBA transactions for 2018-19 to be recorded via the IBC Portal for LEBA accounts to be reconciled and claims submitted for approval
Provisional 29 March 2019	School	Last effective day of period 12 (March). Schools cannot make any changes to their accounts after this date and therefore <u>all monthly processes must be completed by the end of the day.</u>
		Last chance for school to review remainder on monthly processes and resolve any issues.
		Last day to bank income received locally and complete the local banking for on the IBC Portal
		Schools to review and authorise invoices submitted for payment for goods and services received in 2018-19
		Last day for approving LEBA claims for 2018-19
		Deadline for submission P11D non-pay benefits returns
		Last date to raise a customer invoice for goods and services provided in 2018-19

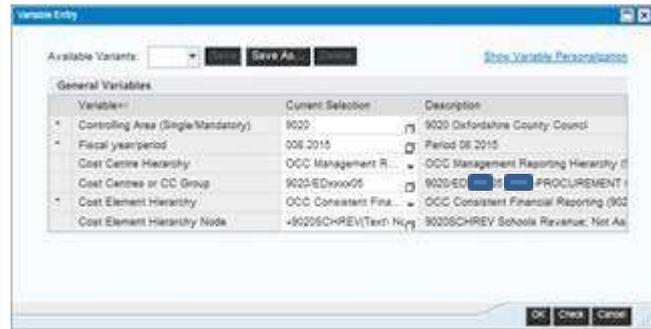
DATE	WHO	ACTION
		To complete internal trading requests received Incomplete documents will be deleted by 31 March 2019
		TERM ENDS
1 st April 2019	Corporate Finance	Period 13 (2018-19) opens <u>but not to be accessed by schools.</u>
	All	New financial year 2019-20 begins.
	Corporate Finance	For 2018-19 accounts, Corporate Finance will begin their reconciliations of the school accounts. Adjustments will be made to the schools accounts for the following: <ul style="list-style-type: none"> • Clearing unattached gl codes, if school have not cleared these codes. Adjustments to ensure these items appear within the schools reporting • Capital postings – If schools have not performed their monthly processes to clear revenue postings against capital cost centres and capital postings against revenue cost centres we will make adjustments to balance the accounts to issued figures. • Re-align costs in community focused cost centres if not resolved by school • Movement to reserves and third party balances. These may be posted to the central control accounts to ensure they do not appear on schools reports. • Any other adjustment that is requested by the Finance Business Partner – CEF.
8 to 22 April 2019	School	Schools Easter (April Holiday)
26 April 2019	Corporate Finance	Work commences on the schools CFR returns for 2018-19.
June 2019, date to be confirmed	Corporate Finance	Schools balances 2018-19 reported to Schools Forum
12-19 July 2019, date to be confirmed	Corporate Finance	Estimated date for final submission of Consistent Financial reporting (CFR) returns for 2018-19 to DfE.

MONTH-END PROCESSES CHECKLIST

Finance Officer Inputting Data	Transaction	Date
Supplier Invoices & Credit Notes input and approved?	Schools > Pay Invoice	
Check workflow messages	My worklist <i>(Please note, new vendor requests will show under the 'Notifications' tab)</i>	
Review Blocked Invoices	estore > Reports > Purchasing Analysis <i>(Scroll to far right of report)</i>  <i>If any are blocked, right-click on the value > Go To > PO Header Details.</i>	
Reconcile and top up Local Expenditure Account (Please see Hints and Tips for further guidance)	Finance > Petty cash > Enter petty cash transactions > Petty Cash Payments <i>Each cheque should be recorded separately.</i> Finance > Petty cash > Petty cash reconciliations and reimbursements > Reconcile petty cash account <i>The value showing on the 'Less this claim' row should equal the desired 'top-up' amount.</i>	
Ensure that income has been input through Cash Receipting & banked	Finance > Manage customers > Record local banking	

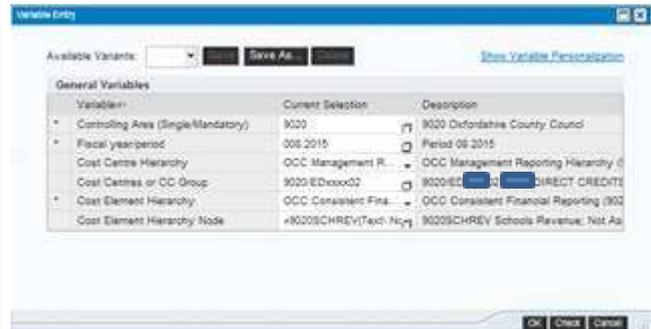
Bursar / Finance Manager / Headteacher	Transaction Code	Date
Review Workflow for outstanding Purchase Orders and Internal Trading documents	My worklist	
Review Outstanding Commitments	Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective <i>Drill down in to commitments right-click on value > Go To > Commitments</i> <i>This can be done either on the individual line or on the total value.</i>	
Review Procurement Card Transactions – statements issued 27 th monthly	SDOL – Smart Data Online Review transactions once in SAP:	

Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective



Review payments received via the Direct Credit Account (cost centre '02')

Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective



Drill down in to actuals right-click on value > Go To > Actual Transactions

Review postings against the old 6 digit cost centre plus check postings on blocked cost centres

Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective

(9020/EDxxx in variable screen Cost Centres or CC Group)

Check Excodes for postings to non-CFR accounts

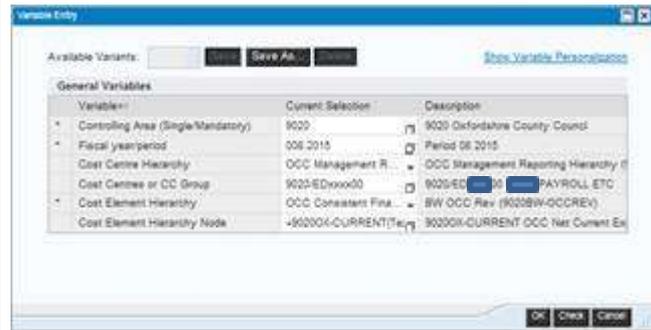
Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective

(In the variable entry screen, under the Cost Element Hierarchy Node include the Not Assigned Cost Element – if there are any, these should appear at the end of the report)



Check '00' cost centre for transactions other than payroll

Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective



	<i>Drill down in to actuals right-click on value > Go To > Actual Transactions</i>	
Payroll reconciliation	See guidance notes in BPS Help and User Guidance	
Check capital expenditure coding	Finance > Reports > Revenue Monitoring > Revenue monitoring by subjective <i>(Variable screen select capital; you will need to move cost centre from the free characteristics into the report)</i>	
Start Budget Monitoring	Various If you require further assistance please contact your EFS Finance Adviser.	

I hope the above and notes are straightforward but if you have any problems or concerns please do not hesitate to contact your school's named Education Finance Services (EFS) finance adviser (telephone number specific).

There are pro-forma returns attached to the e-mail circulating this document to schools.

Please bring the contents of this document and associated returns to the attention of those in your school responsible for its financial administration.

Consistent Financial Reporting (CFR)
E-mail circulated 10 July 2018

Attention finance officer,

Dear Colleague,

The Consistent Financial Reporting (CFR) exercise for 2017-18 has been successfully completed. All school individual reports have all been compiled, agreed to the outturn figures and sent to the DfE for inclusion in the national benchmarking database and for use alongside the local authority's Section 251 Outturn Statement. Submission was well before the statutory deadline (of 20 July).

Over the next few months, the national database will be updated to include income and expenditure data from all schools across the country and you will be able to access comparative information, comparing your school and those of a similar type nationally. If you have difficulty in accessing the CFR website or require help in interpreting the output, please do not hesitate to contact your Education Finance Services finance adviser or me.

Once the figures have been accepted by the DfE, the CFR figures will be lodged on the LA's schools finance webpages page where schools can access not only their own school's but all other maintained schools' figures so allowing schools to undertake locally based financial benchmarking. Rather than wait for the data to be uploaded to our web and to help schools with future planning decisions I have attached a summary copy of all maintained schools' financial information submitted to the DfE. I have also included column narration and have shaded the Devolved Capital columns for ease of use.

There are, as in previous years several points to note.

1. Unlike the SAP accounting system used by schools, the CFR return submitted to the DfE "knows" the difference between income and expenditure and therefore expects all figures to be entered as positive numbers unless the amount is actually a reduction (negative). So income figures shown in the CFR return has been converted to a positive number, not shown as a (SAP) negative amount.
2. In the 2016-17 accounts most schools returns showed a significant accounting anomaly, a negative (or over spent) balance against B06 community-focused school revenue balances. As requested in my e-mail of 21 September 2017 a number of schools have made accounting adjustment corrections. Where schools have not and there has been no activity in this area during 2017-18 (opening balance for community-focused equalled closing balance) appropriate accounting alignment has been undertaken centrally to eliminate the anomaly.
3. Use of SAP gl codes that are not included in the local authority's CFR structure. These included (though list not exhaustive) gl codes 5510, 5410, 5227, 5923, 5505, 5781, 4270, 5446, 2480, 5460 and 5781. The effect of this was that the Consistent Financial Report did not initially pick up gl codes and had to be adjusted for. If you have used any SAP gl code not specifically allocated to the CFR structure (see gl codes examples above) already in 2018-19 you must journal the amounts involved to a valid applicable gl code.

Should you require assistance with this matter please do not hesitate to contact your EFS finance adviser who will be happy to help.

Hope the above is of use but if you have any query or questions about this matter please do not hesitate to contact me.

Regards.

Devolved Capital
E-mail circulated 12 July 2018

Attention finance officer,

Hi,

Devolved Capital 2018-19

Devolved Capital allocations for 2018-19 have been confirmed by the DfE and the amounts transferred into schools SAP accounts today, using schools cost centre 80 and gl code 5711. VA schools will be aware that their allocations are dealt with by their Diocese finance contacts.

Allocations for 2018-19 are made on the same basis and at the same rates as used since 2011-12.

Each school, irrespective of size, receives

- a fixed lump sum of £4,000.
- primary schools £11.25 per pupil,
- secondary schools £16.875 and
- special schools and pupil referral unit £33.75.

The following paragraphs and annex, are again issued to schools to help provide clarification as to how Devolved Capital monies can and should be used, what is considered legitimate to be charged against schools' capital allocations and what schools may need to do in terms of their accounts to comply with the accounting requirements.

Devolved Capital remains a capital grant from the DfE that allocates capital funding directly to schools. Schools are required to treat and account for it accordingly.

The grant has been allocated in order to meet capital expenditure on school buildings in terms of major improvements, remodelling or new builds where the amount is greater than the local authority's minimum capital spend threshold – de minimis level and the purchase of capital equipment such as ICT and other long term improvements to the school property. (The full expression is de minimis non curat lex. This is a Latin phrase meaning "the law does not care about

very small matters". It is used to describe a component part of a wider transaction, where it is in itself insignificant or immaterial to the transaction as a whole.)

However, schools cannot use Devolved Capital for;

- Routine repairs,
- Redecoration,
- General repair and maintenance (included in delegated schools' budgets),
- General repairs to vehicles (including the cost of replacement tyres)
- The purchase of books and training materials
- Hire of accommodation
- It cannot be used for expenditure on small value capital items that fall below the local authority's de minimis level for schools of £2,000 (this level is much lower than that applied to the local authority's other services but is consistent with numerous other local authorities and the advice given by the Diocese to VA schools.)
- Lease/rental arrangements and
- Any and all individual invoices valued at £50 or less (excluding VAT) cannot be charged to Devolved Capital.

"De-minimis" level is a figure set by the local authority which distinguishes a revenue expenditure item from a capital expenditure item. Below this threshold (de minimis) expenditure on small value capital items counts as revenue expenditure. However, where a number of items of the same class bought at the same time, or where an item can be shown to be part of a larger, governor approved, Devolved Capital scheme and the total value exceed this threshold, can be counted as capital. To be governor approved, the school must be able to demonstrate this by reference to a relevant governor or governor sub-committee meeting minute.

Based on the information provided in this e-mail schools are advised to review their Devolved Capital spend and take any appropriate action.

Capital expenditure must either substantially:

- a) Lengthen the useful life of the asset
- b) Increase the open market value of the asset
- c) Increase the extent to which the asset can be used

Further clarification as to what can and cannot be charged to your school's Devolved Capital money is given in the annex at the end of this e-mail.

Expenditure items currently charged against the school's Devolved Capital allocation but do not meet the definition of Devolved Capital given in the annex must be transferred to an appropriate revenue cost centre and gl code. Failure to do so and the local authority will adjust the school's accounts at year-end.

The school may accumulate Devolved Capital allocations over a maximum of three years. Schools may also add to their Devolved Capital monies by using revenue funding for capital purposes, however schools may not use Devolved Capital for revenue spend. In order to apply revenue funding to capital the school must first incur the capital cost. It is not possible for schools to transfer unspent balances between revenue and capital.

The following table summarises when schools must spend their Devolved Capital allocations by:

Allocation Year	To be spent by:
2015-16	31 August 2018
2016-17	31 August 2019
2017-18	31 August 2020
2018-19	31 August 2021

Revenue Contribution to Capital: Schools wishing to make a revenue contribution to their capital must inform the Education Finance Manager (me), including the amount and demonstrating where the amount is included in the school's revenue budget. The school will then be informed of the SAP accounting entries to make or made on their behalf by the local authority. These accounting entries are usually processed at year-end.

Capital Revenue Swap: A school considering a capital revenue swap, moving unused capital monies to support revenue spending, is required to contract the Education Finance Manager (see end of e-mail for detail) to confirm the feasibility of such a request. Again, these types of SAP accounting entry are usually processed at year-end.

What do schools need to do for the financial year 2018-19?

1. Each school should review all amounts charged against their Devolved Capital cost centre(s) within SAP to date. Where there is uncertainty surrounding the amounts charged advice should be sought from your Education Finance Service (EFS) finance adviser to confirm the amount charged can be capitalised.
2. Where the type of expenditure involved does not meet the definition of Capital or the amounts do not exceed the de minimis threshold the school is to transfer the amounts to an appropriate cost centre within the school's revenue account.
3. Schools should complete this work as soon as possible. By doing so, schools will find close down at year-end simpler and with no nasty shock will be waiting in the accounts.
4. Schools should also review their revenue expenditure. Items of expenditure that comply with the definition and requirements of capital as contained in this letter can be recoded to an appropriate capital cost centre and capital gl code. In addition the school will need to move any external income (from funding-raising) relating to this item or make a revenue contribution to their capital account. But before these types of transaction can be made the applicable expenditure must have been incurred within the capital account. It is not expected that there will be many of these within schools' accounts, likely items may include vehicle and new one-off high value pieces of equipment.
5. The above should be completed by 31 December 2018, as in previous years the schools SAP account will be reviewed by the EFS finance adviser and if further action is required the school will be contacted.

The local authority in order to comply with the financial and audit regulations and whole government accounting will ensure that the amounts charged into SAP relating to Devolved Capital expenditure meet the above. Where amounts remain incorrectly charged at the end of the financial

year these erroneous entries will be recoded "en bloc" to an appropriate revenue cost centre of the school concerned.

If in any doubt you are strongly advised to contact your school's EFS finance adviser for guidance and clarification.

Please bring the contents of this e-mail to the attention of those detailing with the school's finances.

I hope this information is of use.