

Schools Finance Team

Reply to: Schools Finance Team
Call: 01908 253088
E-mail: schoolsfinance@milton-keynes.gov.uk



To: All maintained schools in Milton Keynes
From: Schools Finance, MKC

February 2022

Dear Colleague,

Procedures Relating to Closure of Accounts 2021-22

For school accounts to be included with the Local Authority (LA) final accounts for 2021-22, schools are required to have finalised their year-end data no later than 31st March 2022.

The main points to note are:

- All postings must be complete by 24th March, after this date no further activity will be permitted on FMS in period 12. Any unpermitted postings on FMS will need to be reversed as it is imperative FMS and the MKC accounting system remain synchronised.
- Schools will be able to close the period on 1st April and resume FMS activity including payment of suppliers from this date, in the 2022/23 financial year.
- All returns including 3WRs and unspent balances forms will need to be submitted by 8th April. Please ensure you factor these dates into your calendar and if you rely on an external financial provision, ensure they can meet these deadlines. Schools Finance will provide you with a download of your bank statement as at 31st March in order for you to complete the 3WR.

All associated forms and spreadsheets required for year-end will be available under the year-end section of the LMS website which can be found [here](#).

Please read this guidance in conjunction with the year-end helpsheet from ITSS, to understand how the process works. If you do not receive the ITSS helpsheet please contact Schools Finance and we will forward a copy to you. Please also ensure you read these instructions carefully before you start working on closing your accounts, to ensure that the accounts are closed in a timely manner and that transactions are accounted for in the correct financial year. If you require clarification on any aspect of these procedures or the closure of accounts process in general please contact the Schools Finance team on 01908 253088 or at schoolsfinance@milton-keynes.gov.uk. Alternatively, if you are unable to meet any of these deadlines, please contact Schools Finance before the date to discuss.

Many thanks in advance for your support and co-operation.

Yours sincerely

Michelle Hibbert
School Funding Accountant

Closure of Accounts Procedures For Schools

2021-22

Produced by Schools Finance – February 2022



MK

milton keynes council



1. Period 11 Trial Balance (TB)

A P11 TB in an Excel format must be sent to Schools Finance by **Wednesday 2nd March**. Please ensure all salaries, cash advances and other postings are made by the end of January as we will be starting our year-end checks based on this data.

2. Health Checks

A Health Check must be completed by **Friday 11th March** in preparation for closure of accounts. The health check form will be available on the LMS website. Please ensure these checks have been completed and send a copy of the completed and signed healthcheck to Schools Finance by this date.

3. Lease Information

In order to comply with International Financial Reporting Standards all lease arrangements must be reviewed at year-end. The lease return should be completed, even if a nil return, and sent to Schools Finance by **Friday 18th March**.

4. March Data

The key March postings must be made in Period 12 on FMS by **Thursday 24th March**.

- a) Payroll will be posted using the salary commitments on FMS unless your payroll provider can process your preliminary report before the 24th March. This process will be included in the year-end guidance sent by ITSS – if your school does not receive this please contact the Schools Finance team to arrange for a copy to be forwarded to you.

Any differences from the final payroll report and the postings made using the salary commitments will be posted as an adjustment in Period 1 of the new financial year. Schools must keep a record of the reconciliations between the old and new financial years.

- b) Schools will be notified of their March cash advance payment by **Tuesday 22nd March** and these entries must be posted into FMS by **Thursday 24th March**.
- c) Any debtors and creditors to be raised by schools must be posted in P12 by **Thursday 24th March**. The MKC materiality limit is £20,000 but schools are

able to post lower amounts of debtors and creditors if this is material to the understanding of the accounts. Anything posted must be included on the debtors and creditors list.

d) UIFSM – A debtor or creditor must be raised for UIFSM and must be recorded on the appropriate debtor or creditor list. Schools will have received an allocation of UIFSM grant funding in July 2021 via the Cash Advance. This funding will have been made up as:

- i. Actual funding for April 2021 – August 2021
 - ii. Provisional funding for September 2021 – March 2022
- Schools must calculate their actual funding entitlement for September 2021 – March 2022 and post the difference as either a debtor or a creditor. Calculations are based on the October 2021 and January 2022 census. The UIFSM calculation spreadsheet will be on the LMS website and will calculate the year-end debtor or creditor which needs to be raised. The journal details are also on the spreadsheet to provide assistance with posting. Please ensure the creditors or debtors list is updated with this posting. This posting must be made by **Thursday 24th March**.

After Thursday 24th March **no** activity should take place on FMS in period 12. This includes bank reconciliations, cheque runs, BACS payments etc.

5. BACS Reconciliation

It is essential that all BACS transactions are reconciled by **Thursday 24th March** as outstanding BACS files will not be transferred to the new financial year.

6. Period 12 Trial Balance

A P12 Trial Balance in Excel format should be submitted to the Schools Finance team by **10am on Friday 25th March**. Do not run a VAT submittal.

7. Debtors and Creditors List

Either a creditors list or a nil return must be emailed to Schools Finance by **Friday 25th March**. Similarly, either a debtors list or a nil return must be emailed to Schools Finance by the same date. Both forms will be on the LMS [website](#). Please ensure the

guidance to filling in the forms is read before they are completed to ensure they are submitted correctly.

A copy of the form, evidence and associated workings must be submitted to schoolsfinance@milton-keynes.gov.uk ready for requests from the auditors.

8. Payroll Information

If your school payroll is **not** administered by LGSS, you must complete the additional payroll information by **Friday 1st April** and email it to schoolsfinance@milton-keynes.gov.uk. A payroll information form will be published on the LMS [website](#).

9. SFVS Returns

All maintained schools are required to complete an SFVS return and email the completed form to Schools Finance no later than **Thursday 31st March** (it can be sent in before if ready). There is no need to send the accompanying evidence. This is a statutory government requirement and MKC are required to complete a DfE return with details of schools not submitting their SFVS on time. The SFVS information can be found [here](#).

The self-assessment dashboard that was formerly part of the SFVS has been moved to the benchmarking website. A question in section E of the checklist asks if the governing body has considered the results of the dashboard or of other DfE benchmarking tools.

10. Close Period 12

Period 12 should be closed (by completing a preliminary close) as a priority on **Friday 1st April**. Month end reports (up to 31st March 2022) should then be run in the normal way. Do not run the VAT submittal before the end of P12. The Excel version of the TB should be submitted to Schools Finance by the end of the **Friday 1st April**.

Schools are permitted to submit an unsigned VAT submittal at the same time as the TB to assist Schools Finance in their year-end processes. In this scenario, a signed version of the submittal must then be submitted to Schools Finance by the end of **Monday 4th April**.

11. Three Way Reconciliation and Unreconciled Transaction Reports

A final Three Way Reconciliation (3WR) must be completed and emailed to Schools Finance by **Thursday 7th April**. Schools Finance requires both the Excel version with all tabs and a pdf of the front page signed and authorised. The template will be on the LMS [website](#).

You need to complete the reconciliation based on the P12 Trial Balance, P12 monitoring report and the bank statement up to the **31st March**. Schools should contact schoolsfinance@milton-keynes.gov.uk if they need a copy bank statement to help with this task. If a third party completes these for you please ensure you pass on your information as soon as possible to enable them to meet the deadline on your behalf. Reconciliations using a bank balance earlier than 31st March will not be accepted.

12. Unspent Balances Form

An unspent balances form must be emailed to Schools Finance by **Thursday 7th April**. This form will be available on the website. Calculation guidelines to help calculate the unspent balances are on the same file and if used, the balances will pull through to the unspent balances tab.

B01 – Committed revenue balance

Committed amounts will be where a school has entered into a contract or raised a purchase order but the goods or services have **not** been received by 31st March, unspent voluntary funds and earmarked public funds. Deficit balances should also be included in B01 as spent money is already committed.

B02 - Uncommitted revenue balance

This is the remaining revenue balances which have not been committed.

Balances will be confirmed back to schools by **Tuesday 26th April**.

Schools will be advised when they can run the final close on FMS and this should not take place until notification is received.

Additional Information

Payment of Invoices

It is important that all goods and services received prior to 31st March 2021 are charged to the 2021/2022 financial year. Therefore, it is essential that where possible, all invoices should be obtained from suppliers, including MKC, for those goods and services received to ensure payment in the correct financial year.

Please ensure prompt payment of these invoices to reduce the number of debtors and creditors on the school's accounts and the Council's accounts.

Payment from Local Bank Accounts.

- All transactions and payments dated 24th March 2022 or before should be recorded in 2021/22 on your local system, and should be included on your last return.
- Debtors & Creditors should be included on your period 12 return. Further details are in the sections above.

Bank Interest

If your bank account is within the pooled bank arrangements, bank interest will be credited to your bank account by 31st March 2021. It is unlikely the amounts will be known when FMS closes on 24th March – if schools wish to accrue an amount for this interest, they can.

Payroll Expenditure

Please include on your creditors list any employee-related expenditure e.g. supply teacher claims, for work undertaken in March or before which will not be paid until after 31st March 2022.

Devolved Formula Capital

Schools are reminded the maximum amount of Devolved Formula Capital (DFC) funding that can be carried forward at 31st March 2022 is the sum of their 2020/2021 and 2021/2022 allocations, unless the Local Authority has authorised the carrying forward of earlier years allocations to go towards funding a larger approved scheme.

Any unspent funding from the 2019/2020 allocation may be recouped by the Department for Education (DfE). If a school has unspent DFC which must be returned to the DfE it should appear on the creditors list. The Local Authority will check the carried forward balances in school returns to ensure compliance with DfE conditions of grant.

Schools must ensure that only unspent Devolved Formula Capital balances appear in B03 and that any other unspent capital funding appears in B05

ITSS Helpsheet

For schools purchasing the MKC ITSS service, a Helpsheet will be sent under separate cover to assist with the year-end process.

Final Balances

Schools will be notified of their closing balances by **Tuesday 26th April**.

