

Closure of Accounts 2023/24 Procedures for Schools

February 2024

Published by Finance



All templates and guidance documents can be found on the Local Management of Schools (LMS) website. The link to the website and the email address for all submissions can be found at the end of this document.

1. Period 11 Trial Balance (TB)

A P11 TB in an Excel format must be sent to Schools Finance by **Monday 4 March**. Please ensure all salaries, cash advances and other postings are complete as we will be starting our year-end checks based on this data.

2. Health Checks

A Health Check must be completed by **Friday 8 March** in preparation for closure of accounts. Please ensure these checks have been completed and send a copy of the completed and signed healthcheck to Schools Finance.

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, or a nil return, and sent to Schools Finance by **Friday 15 March**.

4. March Data

The final postings must be made in Period 12 on FMS by **Thursday 21 March**.

- a) Payroll should be posted using the salary commitments on FMS unless your payroll provider can process your preliminary report before the 21 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 **Wednesday 20 March** and these entries must be posted into FMS by **Thursday 21 March**.
- c) Any debtors and creditors to be raised for the 2023/24 financial year must be posted in P12 by **Thursday 21 March**. The MKCC 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 and evidence provided.
- 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 2023 via the Cash Advance. This funding will have been made up as:

- i. Actual funding for April 2023 – August 2023
- ii. Provisional funding for September 2023 – March 2024
Schools must calculate their actual funding entitlement for September 2023 – March 2024 and post the difference as either a debtor or a creditor. Calculations are based on the October 2023 and January 2024 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 21 March**.

After Thursday 21 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 21 March** as outstanding BACS files will not be transferred to the new financial year.

6. Period 12 Trial Balance

A period 12 Trial Balance in Excel format should be submitted to the Schools Finance team by **10am on Friday 22 March**. Do not run a VAT submittal.

7. Debtors and Creditors List

A creditors list and a debtors list or nil returns must be emailed to Schools Finance by **Friday 22 March**. 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 schools finance in anticipation of requests from the auditors.

8. Payroll Information

All schools must complete their payroll information for the Officers Remuneration note and the FTE analysis by **Monday 25 March** and email both forms to schools finance. ITSS will be sending a reminder of the report that can be run in FMS to aid with the completion of the FTE analysis with their year end guidance, if you don't already receive that let us know and we can send you a copy. The payroll templates are 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 28 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 MKCC 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 school leadership has considered the results of the dashboard or of other DfE benchmarking tools.

The link above also contains the Related Party Transactions template, this must be completed by all schools or a nil return submitted if appropriate.

10. Close Period 12

A final period 12 Trial Balance in Excel format should be submitted to the Schools Finance team on **Thursday 28 March**.

Period 12 should be closed (by completing a preliminary close) as a priority on **Monday 15 April** (or from 1 April for schools working during the Easter break).

The period 12 signed VAT submittal should be sent to Schools Finance on **Tuesday 16 April**, to allow the reimbursement to be made by **Wednesday 24 April**.

11. Three Way Reconciliation and Unreconciled Transaction Reports

A final Three Way Reconciliation (3WR) must be completed and emailed to Schools Finance by **Wednesday 17 April**. Schools Finance require both the Excel version with all tabs and a pdf of the front page signed and authorised. The template is on the LMS website.

The reconciliation should be completed based on the P12 Trial Balance, P12 monitoring report and the bank statement up to the **31st March**. Schools should contact Schools Finance if they need a copy bank statement to help with this task. If a third party completes this reconciliation for you, please ensure you pass on your information as soon as possible to enable them to return the completed template to you in good time for you to meet the deadline. 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 **Monday 15 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 23 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 31 March 2024 are charged to the 2023/2024 financial year. Therefore, it is essential that all invoices should be obtained from suppliers, including MKCC, for those goods and services received to ensure the cost is allocated to the correct financial year.

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

Payment from Local Bank Accounts.

- All transactions and payments dated 21 March 2024 or before should be recorded in 2023/24 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 2023. It is unlikely the amounts will be known when FMS closes on 21 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 or overtime, for work undertaken in March or before which will not be paid until after 31 March 2024.

Devolved Formula Capital

Schools are reminded the maximum amount of Devolved Formula Capital (DFC) funding that can be carried forward at 31st March 2024 is the sum of their 2022/2023 and 2023/2024 allocations (including the additional capital grant paid in January 2023), unless the Local

Authority has authorised the carry forward of earlier years allocations to go towards funding a larger approved scheme.

Any unspent funding from the 2021/2022 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 MKCC ITSS service, a Helpsheet will be sent under separate cover to assist with the year-end process.

Final Balances

Final closing balances will be confirmed to schools by **Tuesday 23 April**.

The year end closure timetable and all other templates and guidance can be found on the LMS website using this link:

<https://www.milton-keynes.gov.uk/schools-and-lifelong-learning/information-schools/local-management-schools-lms/reporting>

All submissions should be sent to:

schoolsfinance@milton-keynes.gov.uk