

**To: Head Teachers of Primary, Secondary and Special Schools**

**Operating the Full Cheque Book Scheme**

**11 May 2020**

Dear Colleague,

### **FULL CHEQUE BOOK SCHOOLS INSTALMENTS AND FINANCIAL REPORTING REQUIREMENTS 2020/2021**

I attach details of the calculation of total cash advances for your school for the financial year 2020/21 together with schedules of monthly advances, dates for payment into your school bank account and timetable for submission of financial returns.

### **CASH ADVANCES**

#### The total cash advance represents the school budget share notified in Birmingham Schools’ Section 251 Budget Statement.

The interest deduction has been calculated in accordance with Birmingham’s Approved Fair Funding Scheme for Financing Schools (section 3), based on the City Councils estimated interest rate of 0.6600% for 2020/21. This equates to a slight increase of 0.0344% for schools receiving 12 equal instalments.

Monthly advances will be paid into your school bank account by the 20th of each month. The schedule has been adjusted for weekends and public holidays. However, it does not reflect any early payment of salaries for December 2020 or January 2021. Any school’s making an early payment for these months should notify [FullCBSMailbox@birmingham.gov.uk](mailto:FullCBSMailbox@birmingham.gov.uk), when final dates are known, and the payment date will be adjusted accordingly.

For the 2020/21 financial year the S251 NNDR Rates and Insurance charge have been deducted from the calculation of advances and will be made in 12 equal monthly instalments (unless there are other in year adjustments).

Journals can be done as a whole year charge against the Rates code J260, Insurance code J600 (if not covered by Birmingham City Council (BCC)’s insurance scheme) or RCT0 (internal charge code if covered by BCC insurance scheme), and a credit against SBS Instalments (X500). For example,

If the rates charge per annum is £50k, then journal should be:

DR J260 £50k

CR X500 £50k

##### **FINANCIAL INFORMATION AND RETURNS**

As part of the continuous improvement process to enable the City Council to meet statutory obligations, the in-year and year-end reporting requirements and deadline for closure of accounts for cheque book schools are currently under review.

We will notify you of the City Council’s revised requirements in the coming weeks.

The timetable for monthly VAT returns (attached on Instalment Schedule) reflects the City Councils General Ledger (VOYAGER) period end dates and all reports should be sent to FullCBSMailbox@birmingham.gov.uk

by the specified date. Please always state the school name clearly in the subject box, so that it can be dealt with by the designated officer.

All schools are required to submit the 2020/21 Budget Plan which has been approved by the Governing Body by the 31st May 2020.

This report should be submitted to Lana Forrester, Schools Financial Services at: Lana.Forrester@birmingham.gov.uk

If you have any queries regarding this letter please email: [FullCBSMailbox@birmingham.gov.uk](mailto:FullCBSMailbox@birmingham.gov.uk)

Yours sincerely

**John Betts**

**Business Partner – Children & Young People**

###### **Directorate For Education & Skills**

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