

To: Head Teachers of Schools Operating the External Payments Account (EPA) using SIMS FMS

END OF FINANCIAL YEAR PROCEDURES 2023/24

Dear Colleague,

At the end of each financial year, the Chief Finance Officer has the responsibility for preparing the annual accounts for the City Council. This includes consolidating school accounts. This letter summarises the key actions to be taken by schools and changes to the financial procedures for this financial year.

Overarching Principle

The overriding principle is that your school's final accounts must reflect goods and services that have been received (for payments) or provided (for income) by 31 March 2024.

The closedown dates have been set in line with Corporate Finance however due to the Easter break, please plan to complete all activities by 22 March 2024, failure to do so will result in items not included in the year end accounts

Key Actions & Deadlines

For 2023/24, the last date for processing external invoices/receipts on SIMS FMS is **14th March 2024**.

All other key dates and actions are summarised on the timetable, and local Year End Procedures in the Appendix.

Accruals and Prepayments

Schools are asked to accrue for all goods or services received (or anticipated to be received) by **31st March 2024** but not paid by **31st March 2024** and any income owed and not received from an external organisation by **31st March 2024**. There is a £1,000 income and expenditure de minimis level on all year-end accruals, no exceptions. Please do not accrue for anything items below £1000. The Council's external auditors will test whether transactions relate to the correct financial year, so it is important to account for income and expenditure in the correct financial year.

March Payroll

Please note that the non-cheque book school's payroll service is provided by the LA, therefore all payments for payroll costs for March will be made in March, there will be no accrual requirement. No internal accruals should be raised.

Outstanding DSG and Grant Funding

All schools DSG and grants funding will be journaled before year end so no accrual should be raised.

Accruals Template

Schools will need to complete the Corporate Finance Accrual journals for Debtors and Creditors with supporting documents (e.g. suppliers invoices etc.) and send the completed accrual journals in Microsoft Excel to the mailbox: schoolsaccruals@birmingham.gov.uk by 19th **April 2024**. Please note that accruals without reasonable evidence will not be processed.

If no accruals need to be raised, please email schoolsaccruals@birmingham.gov.uk by 19th **April 2024** to confirm "Nil return", state clearly your school name in the "subject" box.

A letter of “Schools Year End Accruals HT Confirmation” needs to be completed and signed by the school head teacher and submitted with the completed accruals template and appropriate supporting documents.

The Accruals HT Confirmation letter template can be found here:

[All schools - Year-end accruals further requirements | Birmingham City Council](#)

Internal Accruals – Services Provided by the City Council

Please note that no internal accruals are expected to be raised as the internal journal transactions with other BCC departments/schools should be completed by **1st March 2024**. Charges on Internal Invoicing system should be dealt with (rejected/approved) by **28th March 2024**.

For schools using Cityserve as their catering provider, the arrangements for the Spring term’s invoice are as follows:

Where the service is charged on actual costs, it is not possible to produce the final invoice until all central financial systems have been closed. Cityserve will raise a liability for this invoice to ensure that the charge is accounted for in the correct financial year. Your school will be charged with the actual amount via an accrual journal against code L25R/4ZK9. The accrual journal will debit the financial year **2023/24** and credit **2024/25**. The credit will then be offset when the actual invoice is paid in **2023/2024**. It is important that schools ensure all cash received for school meals for the Financial Year **2023/24** is **recorded on the school’s income portal system** by **16:15 on 28th of March 2024**. Corresponding **Paying in slips for 2023/2024** should be dated **28th March 2024** for the next scheduled collection by G4S or other cash collection companies used by schools.

Late Amendments

Late amendments will not be accepted unless Corporate Finance deem it to be exceptional circumstances.

General Housekeeping

Please carry out regular house-keeping exercises to prepare for year-end closedown - please refer to the checklist on the web page via the link below.

[Pre-closedown house keeping checklist | Birmingham City Council](#)

Audit Requirements and Public Inspection

The City Council has a statutory obligation to open its accounts to the appointed external auditor and for public inspection. Grant Thornton, as the City’s appointed auditor, has the right to review all documentation (including payslips and bank accounts) under the Local Audit and Accountability Act 2014. It is a statutory requirement that information is provided to Grant Thornton on request. So, please prioritise any audit query you may receive – turnaround time should be 2 working days. The accruals template (with associated backing documentation) should help keep queries to a minimum.

It is important that good quality evidence is presented to external auditor. Information directly from a third party should be provided where possible, with a clear summary description of the transaction. For example, the evidence presented for the purchase of equipment should be the supplier’s invoice, rather than the school’s own analysis report.

Please ensure this letter and the procedures are brought to the attention of all staff involved in the closedown process ahead of the key dates.

Yours sincerely,

Schools Finance Team
Council Management Directorate.
Birmingham City Council

TIMETABLE - KEY DATES & ACTIONS

DATE	ACTION
March 2024	<ul style="list-style-type: none"> No orders to be raised on FMS (Orders for routine spending should be raised before 23rd February 2024)
14 th March 2024	<ul style="list-style-type: none"> Last day for processing 2023/2024 CAPITAL invoices for submission to Accounts Payable. These invoices must be received by Accounts Payable by 14th March for inclusion in the 2023/2024 Final Accounts.
14 th March 2024	<ul style="list-style-type: none"> Last day for input of goods received notes. Last day for processing 2023/2024 EXTERNAL invoices for submission to Accounts Payable (AP). These invoices must be received by Accounts Payable by the 14th March 2024 for inclusion in the 2023/2024 Final Accounts. Note that invoices raised by Acivico, S4E or Music Service are treated as external invoices Any external invoices received by schools in March 2024 for goods/services received by 31st March 2024, must be sent to Accounts Payable after the 1st of April 2024 for payment in the 2024/2025 financial year (the costs for these invoices should be included in the 2023/2024 accruals list and submitted by 19th April 2024). All other goods and services received but not invoiced should be recorded on the system to enable a liability to be raised. Schools should adopt good house-keeping practice, take appropriate actions early, minimise the number of items for accrual.
15 th March 2024	<ul style="list-style-type: none"> Produce list of orders to be declared as liabilities (Deliveries not invoiced/paid report, delete internal BCC liabilities, as internal journal transactions should have been completed by the 1st March 2024 therefore no internal accruals should be raised. Schools need to complete the corporate accruals journal if more than £1,000. Send the completed journal with supporting evidence to back up all accrual items by 15th March 2024 to <u>schoolsaccruals@birmingham.gov.uk</u>, together with the "Schools Year End Accruals HT Confirmation" letter signed by the Head Teacher. <p>It requires good housekeeping to keep accruals to minimum.</p> <ol style="list-style-type: none"> a) Please note that schools should not raise accruals for payroll or City Serve charges as they are dealt with separately. b) No internal accrual should be raised. Other BCC internal journal transactions should have been completed by 31st March 2024. <p>PLEASE ENSURE SCHOOL NAME APPEARS IN EMAIL SUBJECT MATTER</p>

DATE	ACTION
	<ul style="list-style-type: none"> • Accruals must be sent using the accrual templates in MS excel format. • Accruals without reasonable evidence may not be processed • For 2023/2024 schools will need to provide an estimation of sessional/relief staff to be included in year-end liabilities
22 nd March 2024	<ul style="list-style-type: none"> • Deadline for EPA claims submission. • Minimal payment in March. • A Bank Claim for month ending 22nd March 2024 needs to be generated and submitted. A nil return for 25th to 29th March 2024 will then need to be submitted on 8th April 2024. • Last Bank Reconciliation, EPA Claim and System Reconciliation to be completed and forwarded to the epamailbox@birmingham.gov.uk • No EPA transactions should be posted in the 2023/2024 financial year after the VAT Short Summary and Bank Claim have been printed and sent to Finance on 22nd March 2024. • Schools must not cancel any invoices or cheques after the VAT Short Summary and Bank Claim have been printed and sent to Finance on 22nd March 2024.
28 th March 2024	<ul style="list-style-type: none"> • Schools must <u>not</u> approve any internal invoices on the 28th March 2024 • Schools can add income to the income portal up to 16:15 on 28th March 2024 and this will be included in the 2023/2024 financial year. Again, cash received for school meals etc. for the Financial Year 2023/2024 must be recorded on the school income portal system by 16:15 on 28th March 2023. Corresponding Paying in slips should be dated 28th March 2024. • Income entered onto the portal from the 1st April 2024 will be included in the 2024/2025 financial year. • Schools should note that any income provided to G4S, or other cash collection companies relating to the 2023/2024 financial year and not added to the income portal in 2023/2024 by 16:15 on 31st March 2023, may not be reimbursed to schools. Schools are therefore advised to reconcile all income and ensure income portal transactions match.
1 st April 2024	<ul style="list-style-type: none"> • All incomplete orders transferred to 2024/2025. • All outstanding commitments relating to 2023/2024 cleared.
1 st April 2024	<ul style="list-style-type: none"> • Submit a Bank Claim for 25th to 29th March 2024 in FMS. This should be a nil return as no transactions should have been posted to the bank account during this period.
8 th April 2024	<ul style="list-style-type: none"> • Suspense Account should be cleared or queries to be raised.

DATE	ACTION
May 2024	<ul style="list-style-type: none"> • Last reconciliation file of 2023/2024 transactions available to download. You must not run the final year end process until all reconciliation files for 2023/2024 have been run in FMS and school's carry forward balance has been notified on the BCC website. • All remaining items in Suspense Account reconciled or queries to be raised (Any errors will be corrected in the new financial year).

Purchase card:

Items must be cleared regularly from DCal to minimise end of year backlogs. Items purchased by 20 March 2024 need to be cleared from Dcal by 25 March 2024 to be included in 2023/24. **Please do not use your purchase card after 20 March or until 4 April 2024** as any purchase after 20 March 2024 will fall into 2024/25 and will not be accrued specifically. Guidance on purchase card can also be found on My Finance – Buying Goods and Services.

YEAR END PROCEDURES FOR EPA SCHOOLS 2023/2024

A. PAYMENTS UNDER LOCAL EPA SCHEME

1. Invoice Processing

- (a) Final cheques for goods and services received must be issued and authorised by **14th March 2024**. No cheques should be issued after **28th February 2024** to allow the relevant system reconciliation to be completed by the **22nd of March 2024**.
- (b) All incomplete orders, where goods and services have been received before **14th March 2024** but where invoices have either not been received or received but not paid, must be declared as liabilities. System guidance notes will be available to download from the Link2ICT knowledgebase at <http://link2ict.service-now.com>.
- (c) Any incomplete orders in in 2023/2024 will be transferred to 2024/2025.

2. Reconciliation

- (a) Oracle must be reconciled with the balances on all school Bank Accounts relating to public funds and the balance of expenditure and income shown on FMS.
- (b) The following reports must be produced by **22nd March 2024** for the financial year 2023/2024, in accordance with the reconciliation procedures, and include all transactions up to and including **22nd March 2024**.

Please refer to the system guidance and seek advice from your system provider or financial service provider regarding the reports to be generated from the system.

- A list of Unreconciled Payments and Receipts - use **Reports | General Ledger | Bank | Unreconciled Transaction Listing** for each local Bank Account from 1st April 2023 to 22nd March 2024. Make sure you select each bank account individually; otherwise, the report will be for all transactions for all bank accounts. **Please ensure that no further bank account transactions are processed until the new financial year.**
 - Balances and Reserves Report - use **Reports | General Ledger | Balances/Reserves**.
- (c) The following reports must also be produced for General Ledger and VAT purposes:
- Bank Account Claim - use **Focus | General Ledger | Bank Claim** - that is from the date of the previous claim up to and including 22nd March 2024. You will also need to submit a Bank Claim on 1st April 2024 25th to 29th for the period March 2024 in FMS (the bank claim and associated reports cannot be run in advance). This should be a nil return as no transactions should have been posted to the bank account during this period.
 - VAT Reports
As it is not possible to submit the March VAT return in FMS before 1st April 2024, you will not be able to generate the VAT Submittal report. You should therefore print the VAT Short Summary instead. The wording normally used on the VAT submittal report should be entered manually and the report signed by the designated member of staff.
- It is vital that you submit the March VAT Return in FMS before processing any EPA transactions in the 2024/2025 financial year.
- (d) It is vital that all these reports are produced on the same date as the bank reconciliation and supported by a bank statement for the period up to and including 22nd March 2024. (avoid bank transactions after 22nd March 2024 to avoid problems in balancing the accounts correctly).

- (e) A Bank Reconciliation Statement must be completed for the bank account as at close of business on 22nd March 2024. Bank statements supporting each account balance on this date should also be provided and submitted to EPA mailbox by 25th March 2024. Head Teachers will

be required to certify that this reconciliation is correct (need Head Teacher's electronic signature on the reconciliation statement).

Please refer to your system guidance and seek advice from your system provider or financial services provider regarding the reports to be generated from the system, to ensure correct adjustments are made on the system for the year end accounting process.

B. SUBMISSION OF INFORMATION

All reports and statements requested should be sent to epamailbox@birmingham.gov.uk by no later than **25th March 2024**. Please contact your EPA support officer on Schools Finance Team if you have any questions.