

## To: Head Teachers of Schools Operating the External Payments Account (EPA) using CMIS

### 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<sup>st</sup> 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 external invoices/receipts on CMIS is **14<sup>th</sup> March 2024**.

Goods and services received by **31<sup>st</sup> March 2024** should be correctly recorded in the financial year 2023/24.

#### **Income and Expenditure**

School should pay all their invoices for services / goods received in the financial year by **28<sup>th</sup> March 2024** and request income due from relevant organisations to be received by **28<sup>th</sup> March 2024**.

#### **Accruals and Prepayments**

Schools are asked to accrue for all goods or services received (or anticipated to be received) by **31<sup>st</sup> March 2024** but not paid by **31<sup>st</sup> March 2024** and any income owed and not received from an external organisation by **31<sup>st</sup> 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 grant funding will be journalled before year end so no accrual should be raised.

#### **Accruals Journal**

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

Accrual Journal will be provided by the School Funding Team

If no accruals need to be raised, please email [schoolsaccruals@birmingham.gov.uk](mailto:schoolsaccruals@birmingham.gov.uk) by **19<sup>th</sup> 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 journal 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 most of the internal journal transactions with other BCC departments/schools should be completed by **1<sup>st</sup> March 2024**. Charges on Internal Invoicing system should be dealt with (rejected/approved) by **28<sup>th</sup> 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 **2024/25**. 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 28<sup>th</sup> March 2024**. Corresponding **paying in slips for 2023/2024** should be **dated 28<sup>th</sup> 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

## FINANCIAL YEAR END PROCEDURES 2023/2024

### TIMETABLE - KEY DATES & ACTIONS

DATE	ACTION
March 2024	<ul style="list-style-type: none"> <li>No orders to be raised on CMIS (Orders for routine spending should be raised before 28<sup>th</sup> February 2024)</li> </ul>
14 <sup>th</sup> March 2024	<ul style="list-style-type: none"> <li>Last day for processing 2023/2024 CAPITAL invoices for submission to Accounts Payable. These invoices must be received by Accounts Payable by 14<sup>th</sup> March 2024 for inclusion in the 2023/2024 Final Accounts.</li> </ul>
14 <sup>th</sup> March 2024	<ul style="list-style-type: none"> <li>Last day for input of goods received notes.</li> <li>Last day for processing 2023/2024 EXTERNAL invoices for submission to Accounts Payable. These invoices must be received by Accounts Payable by the <b>14<sup>th</sup> of March</b> for inclusion in the 2023/2024 Final Accounts.</li> <li>Note that invoices raised by <b>Acivico, S4E or Music Service</b> are to be treated as <b>external invoices</b></li> <li>Any external invoices received by schools in March 2024 for goods/services received by 31<sup>st</sup> March 2024, must be sent to Accounts Payable after the 1<sup>st</sup> of April 2024 for payment in the 2024/2025 financial year. The costs for these invoices if more than £1,000 should be included in the <b>2024/2025</b> accruals list and submitted by 19<sup>th</sup> April 2024.</li> <li>All other goods and services received but not invoiced should be recorded on the system to enable a liability to be raised.</li> <li>Schools should adopt good housekeeping practice, take appropriate actions early, <b>minimise the number of items for accrual.</b></li> </ul>
15 <sup>th</sup> March 2024	<ul style="list-style-type: none"> <li>Produce list of orders to be declared as liabilities within the threshold of £1000 (Deliveries not invoiced/paid report), delete internal BCC liabilities, as most internal transactions should have been completed by <b>1<sup>st</sup> March 2024</b> therefore no internal accruals are expected.</li> <li>Schools need to complete the corporate accrual journal. Send the completed journal with supporting evidence to back up all accrual items <b>by 19<sup>th</sup> April 2024</b> to <a href="mailto:schoolsaccruals@birmingham.gov.uk">schoolsaccruals@birmingham.gov.uk</a>, together with the "Schools Year End Accruals HT Confirmation" letter signed by the Head Teacher.</li> </ul> <p>It requires good housekeeping to keep accruals to minimum.</p> <ol style="list-style-type: none"> <li>a) Please note that schools should not raise accruals for payroll or City Serve charges as they are dealt with separately.</li> <li>b) No internal accrual should be raised. Other BCC internal journal transactions should have been completed by 31<sup>st</sup> March 2024.</li> </ol>

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

DATE	ACTION
8 <sup>th</sup> April 2024	<ul style="list-style-type: none"> <li>• Suspense Account should be cleared or queries to be raised.</li> </ul>
May 2024	<ul style="list-style-type: none"> <li>• 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 CMIS and school's carry forward balance has been notified on the BCC website.</li> </ul> <p>All remaining items in Suspense Account reconciled or queries raised (Any errors will be corrected in the new financial year).</p>

**Purchase card:**

Items must be cleared regularly from DCal to minimise end of year backlogs. Items purchased by 20<sup>th</sup> March 2024 need to be cleared from Dcal by 25<sup>th</sup> March 2024 to be included in 2023/24.

**Please do not use your purchase card after 20<sup>th</sup> March or until 4<sup>th</sup> April 2024** as any purchase after 20<sup>th</sup> 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.

Guidance on Purchase Cards can also be found on My Finance – Buying Goods and Services.

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**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 should be paid by 14<sup>th</sup> March 2024. No cheques should be issued after 28<sup>th</sup> February 2024 to allow the relevant system reconciliation to be completed by the 22<sup>nd</sup> March 2024.
- (b) All incomplete orders, where goods and services have been received before 14<sup>th</sup> March 2024 but where invoices have either not been received or received but not paid, must be declared as liabilities. A liability list must be produced (or "nil" return where applicable). Please note payroll is provided by BCC and payment will be made in March, so March payroll should not be listed as a liability.
- (c) Any incomplete orders 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 CIMS.
- (b) The following reports must be produced by **22<sup>nd</sup> March 2024** for the financial year 2023/2024, in accordance with the reconciliation procedures, and include all transactions up to and including **22<sup>nd</sup> 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.**

- An electronic copy of a bank statement will be sent by CYP Finance on 22<sup>nd</sup> March 2024 to all EPA schools for the period 1<sup>st</sup> March - 22<sup>nd</sup> March 2024. Schools should avoid any bank transactions after 22<sup>nd</sup> March 2024, or limit bank transactions to minimal.
  - A full Cost Centre Summary
  - A Bank Account History for the EPA Account from 1<sup>st</sup> April 2023 to 22<sup>nd</sup> March 2024
  - An Unreconciled Payments Listing for the EPA Account from 1<sup>st</sup> April 2023 to 22<sup>nd</sup> March 2024
- (c) The following reports must also be produced for the General Ledger and VAT purposes:
    - Bank Account Claim for the period 1st March 2024 to 22<sup>nd</sup> March 2024. You will also need to submit a Bank Claim by 8th April 2024 for the period 25<sup>th</sup> March to 29<sup>th</sup> March 2024 in CMIS. This should be a nil return as no transactions should have been posted to the bank account during this period.
    - Final VAT Reports for March 2024. Please refer to system guidance or seek advice from your system provider for any technical queries.
  - (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 22<sup>nd</sup> March 2024.
  - (e) A Bank Reconciliation Statement must be completed for the Bank Account as at close of business on 22<sup>nd</sup> March 2024. Bank Statements supporting each account balance on this date should also be provided and submitted to EPA mailbox by 25<sup>th</sup> March 2024. Head Teachers will be required to certify that this reconciliation is correct (e.g., Head Teacher's electronic signature on the reconciliation statement required).

**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](mailto:epamailbox@birmingham.gov.uk) by no later than **25<sup>th</sup> March 2024**. Please contact your EPA support officer on Schools Finance Team if you have any questions.