

To: **Head Teachers of Nursery, Primary, Secondary and Special Non-Cheque Book Schools 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 **31st 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 CMIS is **14th March 2024**. All other key dates and actions are summarised on the attached timetable.

Goods and services received by **31st 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 **28th March 2024** and request income due from relevant organisations to be received by **28th March 2024**.

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 templates for Debtors and Creditors with supporting documents (e.g. suppliers invoices etc.) and send the completed accrual templates 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.

Training will be provided on how to complete the accrual templates. Details will follow

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 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 **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 **2024/2025**. 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

FINANCIAL YEAR END PROCEDURES 2023/2024

TIMETABLE - KEY DATES & ACTIONS

DATE	ACTION
March 2024	<ul style="list-style-type: none">No orders to be raised on CIMS (orders 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 2024 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 notesLast 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 to be treated as External InvoicesAny external Invoices received by schools in March 2024 for goods/services received by 31st March 2024 from external suppliers, 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 if the net value of the invoice is more than £1,000.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.

DATE	ACTION
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 most internal transactions should have been completed by 1st March 2024 therefore no internal accruals are expected. • Schools need to complete the corporate accrual journal. Send the completed journal with supporting evidence to back up all accrual items by 19th April 2024 to schoolsaccruals@birmingham.gov.uk, 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> <ul 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 1st March 2024 <p>PLEASE ENSURE YOUR SCHOOL’S NAME APPEARS IN THE EMAIL SUBJECT MATTER.</p> <ul style="list-style-type: none"> • Accruals must be sent using the corporate accrual template 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"> • Last 2023/2024 petty cash reimbursement claim to be electronically submitted to Accounts Payable to pettycash@birmingham.gov.uk (schools will need to plan in advance to avoid cash spend in March) • Petty cash reimbursement claims for the 2024/2025 financial year must not be submitted until 1st April 2024. • Year End Petty Cash Reconciliation should be submitted by 27th March 2024 (for the year ending 28th February). Please refer to the Petty Cash Year End Guidance notes.
28 th March 2024	<ul style="list-style-type: none"> • Schools should <u>Authorise or Reject</u> all internal invoices on Oracle by 28th 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 2023/24 financial year. Again, cash received for school meals etc. for the Financial Year 2023/24 must be recorded on the school’s income portal system by 16:15 on 28th March 2024. Corresponding Paying in slips should be dated 28th March 2024. • Income entered onto the portal from the 1st of 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 2023/24 financial year and not

DATE	ACTION
	added to the income portal in 2023/2024 by 16:15 on 28th March 2024, 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 2023/24. • All outstanding commitments relating to 2023/24 cleared.
May 2024	<ul style="list-style-type: none"> • Last reconciliation file of 2023/24 transactions available to download. You must not run the final year end process until all reconciliation files for 2023/24 have been run in CMIS and school's carry forward balance has been notified on the BCC website. • All remaining items in Suspense Account reconciled or queries 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 20th March 2024 need to be cleared from Dcal by 25th March 2024 to be included in 2023/24. **Please do not use your purchase card after 20th March or until 4th April 2024** as any purchase after 20th 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.

Please refer to your school system guidance and seek advice from your system provider or financial service provider where necessary.