

To: Head Teachers of Full Cheque Book Schools

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 full cheque book schools and changes to the financial procedures for this financial year.

Please comply with the deadlines and requirements set out within this guidance. Failure to do so may result in the cheque book facility being withdrawn.

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 Dates and Actions:

Capital Expenditure Invoices

16th March 2024 is the last date for copies of all relevant capital expenditure invoices to date to be sent to FullCBSmailbox@birmingham.gov.uk, with the estimated Capital Expenditure for the period up to 31st March 2024 (No Capital expenditure payment is expected between 16th and 31st March 2024)

Income and Expenditure

School should ensure that all payments for invoices for services / goods received in the financial year are cleared by the bank by 28th March 2024, and relevant income for the financial year is received in the bank by 28th March 2024.

March Payroll Direct Debit and Payments

Schools should ensure that the March payroll payment to Birmingham City Council, which will go out by direct debit, is cleared by the bank by 28th March 2024.

Schools should complete their routine spending and payments from the Bank by early March 2024 and ensure that all other payments are cleared by the bank by 28th March 2024.

BCC Invoices

No accrual should be made for BCC items as all invoices must be paid and cleared by the bank by 28th March 2024. Any outstanding disputes regarding invoices can be resolved in the new financial year with the service provider, with any adjustment in the new financial year, if appropriate.

Accruals and Prepayments

Schools are asked to accrue for all other goods or services received (or anticipated to be received) by 28th March 2024 but not paid by 28th March 2024, and any income owed by external organisation by 28th March 2024, although accruals should be kept to a minimum by following the above requirements.

Outstanding DSG and Grant Funding

All schools DSG and grants funding, except EYNFF, will be paid before year end so no accrual should be raised. Arrangement for EYNFF will be included in the detailed Workbook guidance as part of the Workbook document.

March Instalment

The March instalment will be paid to all cheque book schools in early March 2024.

Full Cheque Book Schools 2023/2024 End of Year Workbook Deadline – 19th April 2024

Full Cheque Book Schools will be sent the 2023/2024 End of Year Workbook by mid-March 2024.

Schools should plan to complete and submit the financial returns workbook in Microsoft Excel format to the LA by **19th April 2024** together with all relevant supporting documents which includes:

1. Bank statements as of 31st March 2024 for all of schools' official bank accounts,
2. Accrual evidence (e.g., invoices from suppliers or working papers for estimates) for all accruals,
3. Head Teacher's signed accrual confirmation letter.

Bank Statement as of 31st March 2024

Schools are also required to send all official bank accounts statements for the month up to 31st March 2024 with the Workbook by **19th April 2024**. Schools must make early arrangements with the bank to make sure that these statements are available on or before **19th April 2024**.

Reminder:

- **March 2024 Payroll liability:** For schools that purchase payroll services from BCC (Birmingham City Council):
 - school must ensure March is paid and cleared by the bank in March by direct debit as normal.
- **Accruals:** 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. School should pay supplier invoices promptly and ensure that 2023/24 income from relevant organisations is received in the bank by 28th March 2024. This will help to keep year end accruals to the minimum. If for any reason that this cannot be done, then accruals must be raised if the net value of the invoice is more than £1,000. Appropriate evidence must be sent with the workbook for all accruals, together with Head Teacher's signed accrual confirmation form and a fully evidenced completed accruals template.

The Accruals Head Teacher Confirmation letter template can be found here:

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

- **Government Grants:** A Counter Party Identifier number (CPID) is required for each grant received directly by the school from the funding agency (not through BCC) to comply with Whole Government Accounts (WGA) requirements. The CPID number is a unique reference number belonging to the awarding body and this MUST appear in the City's accounts. The Schools Finance Team will contact schools to discuss the conditions of the grant; a copy of the Conditions of Grant acceptance letter (COGA) should be submitted with your return (Important: must use the letter "I" in "CPID", not number "1", this will enable the city to identify all CPID transactions using a standard formula). All relevant necessary supporting documents must be provided to Schools Finance Team to determine the nature of income and disclose the income in the right category.

The Council (Birmingham City Council) is required to disclose material transactions with Related Parties (RP) - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. A Related Parties (RP) reference number (RELPTY) is required if a debtor or creditor is on the Related Parties list.

A list of CPID and RP with corresponding reference numbers will be provided when the workbook is sent out. Please make sure you use the correct number in your debtors and creditors analysis. A few organisations are both WGA and RP, so both of their CPID and RELPTY numbers are required where applicable.

- **Internal Accruals:** There should be no internal accruals as explained above under BCC invoices.
- Bank deposits need to be correctly split between cash & cash equivalent, short term investments. Definitions for BCC final accounts purpose are:
 - "Cash at bank" (with instant access): funds are accessible within 24hours
 - "Short term investments": funds are accessible after 24hours and within a 12months period.
 - "Long term investments": funds are not accessible within a 12months period (e.g., fixed term deposit for over 12months)

Again, the school must send a copy of all official bank statements for up to 31st March 2024 on or before **19th April 2024**. This is important as auditors will review the cash & short term/long term investment analysis based on the bank balance as of 31st March 2024.

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.

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.

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Yours sincerely,

Schools Finance Team
Council Management Directorate.
Birmingham City Council