

**To: Head Teachers of Primary, Secondary and Special Schools
Operating the Full Cheque Book Scheme**

4th May 2017

Dear Colleague,

**FULL CHEQUE BOOK SCHOOLS INSTALMENTS AND FINANCIAL
REPORTING REQUIREMENTS 2017/2018**

I attach details of the calculation of total cash advances for your school for the financial year 2017/2018 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 0.32544% for 2017/18. This equates to a deduction of 0.00790% 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 2017 or January 2018. Any school's making an early payment for these months should notify FullCBSMailbox@birmingham.gov.uk, when final dates are known, and the payment date will be adjusted accordingly.

For the 2017/18 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 still be done as before i.e whole year charge against the Rates code J260, Insurance code J600, and a credit against SBS Instalments (X500). For example,

If the rates charge per annum is £50k, insurance charge per annum is £20k, then journal should be:

DR J260 £50k DR J600 £20k

CR X500 £50k CR X500 £20k

FINANCIAL INFORMATION AND RETURNS

All monthly and termly financial information and returns to be submitted are detailed in Birmingham's Approved Fair Funding Scheme for Financing Schools (sections 2 and 3).

The timetable for monthly returns (attached on Instalment Schedule) reflects the City Councils General Ledger (VOYAGER) period end dates and all reports should be sent to your contact officer (list attached to Instalment Schedule) to the email address shown below by the specified date.

Please ensure that:

- all financial returns reflect only expenditure relating to the school's delegated budget and devolved funding as detailed in section 3 of the Fair Funding Scheme
- copies of bank statements are submitted for all public fund accounts, together with unreconciled bank items and School System Bank Balances.

The first report, due to be submitted by the 31st May 2017, is the Budget Plan for 2017/18 approved by the Governing Body. This report should be submitted to Sue Beer, Schools Financial Services at

Sue Beer
Schools Financial Services
3rd Floor, 10 Woodcock St
PO Box 16421
Birmingham
B2 2ZA

The second termly report, due to be submitted by 7th July 2017, is the Annex B (Income and Expenditure to 30th June 2017), and Annex C (Cashflow). These reports should be emailed to FullCBSMailbox@birmingham.gov.uk. A further Annex B and C is required to be completed as at 31st December 2017 and submitted by 10th January 2018.

YEAR END CLOSEDOWN FINANCIAL RETURNS 2017/18

To enable the City Council to meet statutory obligations, the deadline for closure of accounts across the whole of City Council was brought forward in 2016/17 to ensure compliance with the regulations by 2017/18. In general cheque book schools have met the deadline. However, the timetable is still tight for 2017/18 closedown, the proposed completion & submission date of the accounts is **Thursday 5th April 2018**, which falls in schools' Easter holiday period.

We seek your assurances that the following steps will be taken by your school to ensure year end workbooks are completed and submitted by closedown deadline:

- All relevant school staff involved in the closedown process are aware of the deadline date.

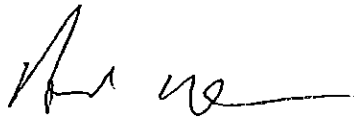
- Your provider of financial services to the school (if you have one) is aware of the deadline date and that any support is arranged to enable the completion of the accounts by the 5th April 2018. Responsibility for ensuring completion and compliance with the deadlines lie with the school and not the providers.
- Your school will have internal arrangements in place to complete the financial returns and submit these to the LA by the 5th April 2018.

We request that the attached Letter of Assurance is signed by the Head teacher, scanned and returned by 31st May2017. If the school have any issues or concerns, these must be outlined in the section under Section B.

Can I also remind schools that the completion of the year end workbooks and return of these to the LA is the responsibility of the school and that this cannot be delegated to a 3rd party financial services provider.

If you have any queries regarding this letter please email:
FullCBSMailbox@birmingham.gov.uk

Yours sincerely



Anil Nayyar
Head of City Finance
Directorate for People

Directorate For People
Finance
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