HINTS AND TIPS – SPRING TERM 2019

Finance Forum
Closure of Accounts 2018-19

Closedown guidelines, timetable and supporting documentation will be emailed to you by 26 February and also loaded onto the Learn Together Portal and Orovia “Help and User Guide”. It is vital these are read and understood well in advance of 31st March 2019. Please direct any queries to bank.account@cambridgeshire.gov.uk, clearly headed Year End 2018-19.

The deadline for submitting all reports and supporting documentation is **Wednesday 3rd April 2019**.

**In preparation for year end ensure the following tasks are completed:**

- Review income and expenditure transactions to ensure these have been coded to the correct ledger codes and check no items remain on the Suspense ledger code.
- Cancel orders no longer required and pay outstanding invoices as soon as possible. The last date for raising Purchase Orders is 28th February 2019.
- Check all invoices have been sent or received for internal services with Cambridgeshire County Council and other maintained schools by 1st March 2019.
- Review all Aged Debtors and Aged Creditors and investigate outstanding balances. Follow up all old debts. Chase any Cambridgeshire County Council debtors or creditors so they can be settled before year end.
- Reconcile bank account(s) regularly during March. The 2018-19 final bank reconciliation will need to be completed as at 31st March 2019. **Schools that do not have an on-line banking facility will need to arrange to receive or collect from branch a bank statement to 31 March. SSCT will not have capacity at year end to run these for you.**
- Run an Unreconciled Items listing and follow up with suppliers or individuals to ensure cheques are banked. Cancel any old cheques which will never clear.
- Ensure all Capital income and expenditure is coded to the correct ledger codes and the correct fund. **The final date for Capitalising Revenue is 28 February (you must seek SSCT approval first)** – see Capital section below.
- Clear budget from the Unallocated ledger code by processing a Budget Adjustment on FMS.
- Log details of all services / goods received before 31st March 2019 which are still to be invoiced to help completion of year end accrual payables.
• Process FMS actual corrections (Normal Journals) for 2018-19 before Period 13.

Education ICT

The year end Procedure Manual and other useful information is available [here](#) and [here](#).

**Outstanding Anticipated Funding**

Please contact your SFA / SSCT if you are still awaiting anticipated funding to check if it will be paid into your budget this financial year, if it is not a budget adjustment will be required. Please note, changes in High Needs Block [HNB/SEN] funding not included on the March funding statement, must not be reserved at year-end but built into 2019-20 budgets instead.

**Pupil Premium**

The January 2019 Funding Statement included the final funding installment for deprivation, post LAC and service children. The ESFA have revised eligible pupil numbers and removed deprivation funding for any child now in receipt of LAC pupil premium. Please update your FNDPP-01 Pupil Premium Funding budget figure in your current Ororvo Other Income/Expenditure scenario to match the January Funding Statement. The LAC pupil premium funding for Spring Term 2019 should be included on your February 2019 Funding Statement.

Pupil premium for LAC from other local authorities is funded by the child’s home LA and they may need to be prompted for any funding still due. If you are having difficulty contacting the relevant officer at the child’s home LA Edwina Erskine at [virtualschool@cambridgeshire.gov.uk](mailto:virtualschool@cambridgeshire.gov.uk) may be able to help.

LAC pupil premium is due once a child has been looked after for one day.

Pupil premium data (i.e. names / eligibility) for 2018-19 (January 2018 pupils) can be accessed via the Key to Success website.

**2018-19 Maternity and Sickness Schemes**

**Sickness**

If an absence is continuing into the new financial year a claim must be submitted for the period of the absence up to and including 31st March 2019. A further claim should then be submitted for the period of the absence in the new financial year (once the 2019-20 claim form is available). Please note the absence is treated as a new claim in 2019-20 and therefore the school will need to deduct 10 days from the initial claim.

Please note the last date for receipt of 2018-19 claims is **Friday 24th May 2019**
Maternity

Claims against the maternity scheme need to be made by **Friday 24th May 2019**

To prevent delays in processing claims please check prior to submission the FTE on all claim forms against the FTE on your Orovia Budget Forecast “Original Approved Budget Submission” (Employee Scenario). If the FTE on the claim form is different to the Orovia Budget Forecast Employee Scenario FTE please add an explanation to the email when submitting the claim (e.g. contract increased from 40% to 60% wef 09/2018).

Absence Scheme queries can be addressed to: schools.funding@cambridgeshire.gov.uk

**2018-19 UIFSM Guidance**

UIFSM Funding for Academic Year 2018-19 was based on the average number of pupil meals taken on the October 2017 and January 2018 census days. This offsets the actual UIFSM charges paid to your catering provider during the Financial Year. Year end reserves are **not needed** for any differences between Academic Year Funding and Financial Year Charges.

However the DfE can clawback (or give additional) funding as part of their Summer Term 2019 funding allocation. They compare the provisional meal number estimate with the average number of pupil meals taken on the October 2018 and January 2019 census days. If there is a significant difference your 2019-20 UIFSM Funding may need to be adjusted.

Your SFA can estimate any potential clawback / additional funding due.

**Paid Pupil Meals**

Depending upon provider, schools using cashless catering may need to raise a reserve for income which is in the pipeline but which is still to be credited to the school’s bank account at year end. In this situation please make sure a PREPAYMENT RECEIVABLE reserve is actioned.

**Capital**

Capitalising Revenue requests need to be approved **before orders are placed**.

The deadline for transactions relating to capitalising revenue in 2018-19 is 28th February 2019.

Please consult the flow chart (link below) to check if capital or capitalised revenue should be used for purchases > £2k (either individual or a combined amount of items).

**Capital Flow Chart**

It is possible to set up Capital Cost Centres to differentiate / monitor transactions for different projects. In addition to CEDEV we suggest (if required) the following cost centres:

CAPREV – for Fund 18 capitalised revenue transactions
EXTCAP – for Fund 05 externally funded transactions
LACAP – for Fund 05 LA funded transactions

Cost Centre 111GEN should not be linked to any capital transactions

Fund 18 must have zero variance at year end. No year-end deficits or carry forwards is permitted on this fund.

Fund 05 should usually show a nil balance at year end, however, if there is a balance relating to an external source e.g. PTA contribution that you know will be cleared in the new financial year this can remain at year-end.

Fund 05 Reimbursements due from Education Capital (Eddie Garner) should be included on the March Funding Statement. If it is not included please follow up with Eddie Garner (eddie.garner@cambridgeshire.gov.uk) and advise Schools Strategy and Corporate Team.

‘Little Extras’ Funding

The ‘Additional Capital Funding’ will be included on your February funding statement and should be coded to FUND-04 (FUND-06 for Federated Schools). Planned Capitalising Revenue transfers should be based on the amount of revenue needed to cover any capital spend which exceeds current DFC budget plus this Additional Capital Funding total. The deadline for capitalising revenue in this financial year is 28th February 2019.
Any revenue capitalised prior to receipt of Additional Capital Funding will not be adjusted.

Budget 2019-20

Budget Timetable

Budgets must be submitted on or before the deadline of Friday 10th May 2019.

Please check your Governing Body has scheduled a meeting to approve the budget prior to this date (N.B. Easter break is 6th April 2019 to 22nd April 2019 inclusive). In case there are any last minute budget changes we recommend your Governing Body meeting is held after the Easter break.

Any visit from your Schools Financial Adviser (SFA) to assist with budget build should be scheduled before the date of the Governing Body meeting.

The official budget publication deadline for maintained primary and secondary schools is 28th February 2019.
The official budget publication deadline for nursery and special schools is 31st March 2019 however, it is hoped draft figures will be available by the end of February.

Budget Preparation

In preparation for the forthcoming financial year’s budget please start to:

- Collate buying decisions and Service Level Agreements for support services. e.g. Education
ICT/EPM/Capita etc. The Education Finance 2019-20 SLA can be accessed via the following link. 2019-20_SLA

- Review 2018-19 utility payments and periods charged.
- Review balances on Educational Visits and other School Defined Activities cost centres. Income and expenditure for educational visits etc. may cross financial years therefore balances to be carried forward into 2019-20 will require an accrual or prepayment to be completed in Period 13. This is the same process as in previous years.
- Collate information on outstanding commitments to calculate accurate 2018-19 outturn figures. It is the responsibility of the school to calculate outturn figures however your SFA can assist with this.
- Review and update School Development Plans (SDP / RAP / TOP) so these costs can be included in the budget. It is also useful to produce a 'wish list' of prioritised and costed future projects for consideration by the Head and Governors should any surplus budget become available.
- Review 2018-19 fund balances to ensure all budgets have been allocated appropriately and in accordance with CFR.

**Anticipated Funding**

Anticipated additional (or a reduction of) funding not included in the school’s Funding for Schools Block Formula should be included in the Other Income/Expenditure section of Orovia e.g. changes to pupil EHC (Education Health & Care) Plans, PE & Sport Premium, Pupil Premium, Growth Funding, UIFSM etc.

**Devolved Formula Capital**

Schools will receive 100% of DFC funding in the month following receipt by the LA from the DfE. For budgeting purposes the profile on FUND-04 has been amended from equal twelfths to All August.

**Cashflow**

Monitoring cashflow is important as schools are not permitted to be overdrawn at the bank.

The following hyperlink to the Learn Together Hub provides guidance for managing cash flow: Cashflow_Guidance
**Potential Deficit Budgets**

Please contact your SFA as soon as possible if you are predicting a deficit budget.

**Universal Infant Free School Meals from April 2019**

The Dfe will review Summer Term 2019 funding. This will be based on the average number of pupil meals taken on October 2018 and January 2019 census days and will be compared against the provisional number funded by the Dfe back in July 2018. Any adjustment will be included with Autumn Term 2019 and Spring Term 2020 estimated funding on the July 2019 Funding Statement.

Schools converting to academy status by 1st April 2019 will receive the remainder of their main allocation directly from the EFA. The amount per meal for 2019-20 academic year will be confirmed by the DfE in due course.

**Maternity / Adoption Absence Scheme 2019-20**

In 2019-20 the Maternity Absence Scheme will continue to be funded via de-delegations for maintained primary schools. Schools should submit a completed claim form together with an electronic copy of the MATB1 or Adoption Certificate to receive a payment calculated pro rata according to the FTE of the teacher.

The claim form will be available after April on the Learn Together Hub.

The MATB1 should be scanned and e-mailed to schools.funding@cambridgeshire.gov.uk

**Other Finance Issues**

**Utility Invoices**

Please check utility bills carefully ensuring:

- serial numbers printed on electricity and gas meters match those included on invoices.
- meter readings on invoices are in-line with meter readings taken by the school.

We recommend meter readings are taken regularly (monthly) so levels of consumption can be monitored and permitting prompt investigation of any issues.

Further information and advice on checking utility bills can be found on the LGSS Energy Management page on the Learn Together Hub, at the following link:

[Energy Management](http://www.cambridgeshire.gov.uk)

**Rates**

It is important to send copies of Rates Remittances to the Local Authority so any funding differences can be corrected. Please upon receipt scan and email copies to schools.funding@cambridgeshire.gov.uk of 2019-20 Rates Remittances.
Please also scan and email copies of:
- any revised bills received following a revaluation and affecting the amount payable
- any prior years Rates Adjustment Invoices

As per DfE guidance any differences will be amended in the following year’s school budget. Rates funding adjustments (up or down) for 2018-19 will be completed in May 2019 (not apportioned over 12 months). Do not create any year accruals / prepayments for the funding adjustment, year end actual should reflect the amount paid to the District Council.

N.B. Small business rates relief may be claimed in certain circumstances by smaller schools. A simple claim form must be completed, these are available from the website of the District Council.

Payroll Control Reconciliation

Schools should ensure the Payroll Control account is reconciled monthly and any discrepancies are followed up immediately. We are aware some schools are still not completing this vital task each month and as a consequence not reporting the figure on the balance sheet correctly.

Agency Staff ‘Finder’ Fees

Please code finder fees to Consultancy/Professional Services (Non-Curriculum) 02838900-01 and not other codes used historically.

Deal for schools: hiring supply teachers and agency workers

On 14th January 2019 the Secretary of State for Education, Damien Hinds, announced the launch of an online tool as the latest development of the agency supply teacher deal.

More information is available to see how your school could benefit from this deal.

Schools Financial Value Standard (SFVS)

A polite reminder!

You are required to revisit this on an annual basis. Please email a scanned copy of your completed return by 31st March 2019 to: bank.account@cambridgeshire.gov.uk

This is compulsory for all LA Maintained Schools. Blank forms can be downloaded from the attached link. SFVS_form

Benchmarking

The ESFA have updated the schools financial benchmarking service with new 2017-18 data for local authority maintained schools. You can use the benchmarking service to compare a
school’s finances with similar schools. The service allows you to:

- make a wide range of comparisons across different categories of expenditure, revenue and workforce data
- choose the criteria to identify schools to compare with
- produce customised reports

The ESFA continue to develop and improve the benchmarking service based on user feedback. Please complete their [schools financial benchmarking survey](http://www.cambridgeshire.gov.uk) to let them know what you think and how they can improve this service.

Benchmarking completion is needed for SFVS.

**Orovia Update**

Orovia will be releasing a new version in the summer which will incorporate many of the changes we have requested over the last few months. Most notably:

- Cost Centre Budget Profile report improvements – grouping cost centre items and improving layout
- Original Budget will become an option in Budget Monitoring
- Using Adjustments (added via yellow boxes) in Budget Monitoring when generating a new current Budget Forecast to prevent the need to re-input figures.
- Consolidated Budget Forecast report will have additional tabs showing future years
- Improved Employee Scenario reports

By the end of February the 2019-20 Budget Forecast scenario will be available, this will include 2019-20 funding figures.