

Finance - Accountancy (Children & Schools)

All Schools Business Managers & Finance Officers

29 January 2018

Dear Head Teachers & Finance Managers,

Closing of Accounts 2017/18 Communications

This letter will provide you with information on the key closing dates and processes involved for the current financial year 2017/18. We will send out separately by the 9th February 2018:-

- Detailed guidance as to how to complete the returns,
- End of year template (Term 3 returns),
- Accruals and additional information template.

These returns will also be accessible to download on EGFL.

Closing Timetable

The deadline for closing entries for schools is **Thursday 15th March**.

Appendix 1 to this letter is the **timetable for submission** of year end documents. Appendix 2 is the standard pro-forma letter for Schools to send to their Bank provider, authorising the bank to provide end of year bank balances to KPMG upon request. This letter should be completed and be sent to the bank in the first instance and copied to Schools Accountancy as proof of making the request, before **Friday 23th February 2018**.

Technical Notes

BCRs and Balances

Each year, the Council has to meet earlier government requirements to produce final accounts. The council's finance system will be closed before schools return for the summer term. So please can you ensure that your returns are completed on time as no post-closure changes may be made to schools balances.

It is important that budget reports (BCR) sent out to you, are carefully reviewed, as any differences will need to be resolved by the end of term. **Term 2 BCRs have been sent this month to enable any mismatches to be rectified before Schools complete their closing templates. Please contact us now if there are any discrepancies.**

After submitting your final returns, no further changes should be made to your FMS System, to ensure that both systems match. Please also ensure that all reports are run at the same time on 15th March 2018.

When you return to School after the Easter Holidays (after the 31 March 2018), please run the Term 3 VAT long summary again to ensure that no transactions have been processed between the 15th and 31st March.

Accruals and Payroll

Your year end accruals (debtors and creditors) that are submitted on the template must match those that are entered onto your FMS (or other system), again so that the figures match to your CFR return. The Council has a **de minimus limit for accruals of £1,000. Please do not post amounts less than this on your accruals templates.** Invoices or income due that are less than these amounts can be processed in the new financial year (2018/19). This will reduce the number of accruals that you will have to post onto your systems and make the process significantly easier.

March payroll charges will occur after the close date of Thursday 15th March 2018. All schools should ensure that the March payroll payment is an accrual (creditor). Schools who buy into the Ealing payroll, will record this as an internal creditor. For those using external payroll providers these should be external creditors. It is important to ensure that you have accrued for those items that are of significant value, such as your March payroll, PFI and other contract payments.

BACS

BACS runs need to be reconciled before processing your closing templates. Please allow enough time so that you can reconcile your BACS run to your bank statement. BACS runs and payments are not transferred from one year to the next. Therefore, it is essential that all BACS transactions are reconciled before running Preliminary and Final Close. Once Preliminary Close has been run for the previous financial year, you will only be able to view BACS payments. No further processing for the year may take place.

Advances/LA Income

We will make the following advances and payments ahead of the year end close date:-

- March advances
- HN adjustments
- EY adjustments (there may be further smaller adjustments that can be accounted for in 2018/19)

I know that the deadlines are very tight and that the closing date is earlier this year. I appreciate that this will put pressure on the School in terms of paying bills at the end of the Spring term. So I thank you in advance for your co-operation during this busy time.

Kind Regards,

Geraldine Chadwick

Geraldine Chadwick

Interim Senior Finance Business Advisor

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