Schools Financial Returns

Guidance 2018/19

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| **Quarterly Returns**  | * Returns are due; 10 working days after the quarter end date (state from to period for each quarter)
* Payroll data to be uploaded monthly for Option A Schools.
* New E-Posting Summary for Quarterly Returns
* New Bank Rec Summary (Reconciling the Schools bank statement and reporting on the Schools YTD net position)
* Integra Reports to be downloaded each quarter to populate the new Quarterly Return Form which includes planned income & expenditure to the end of the year.
* Head Teacher Approval
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| **Deficit Recovery Plan Schools** | * Required to submit monthly returns
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| **LBB School Funding & Finance Website**  | * Forms available for Download
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**Introduction**

The DfE guidance for LA’s Schemes for Financing Schools, includes the following -

“The Scheme should contain a provision requiring schools to provide the authority with details of anticipated and actual expenditure and income, in a form and at times determined by the authority. However, the Scheme should not require submission of such details more often than once every three months except for those connected with tax or banking reconciliation - unless the authority has notified the school in writing that in its view the school’s financial position requires more frequent submission or the school is in its first year of operation.”

The reporting arrangements from maintained schools in Barnet, are consequently being amended to conform to this and provide sufficient data to reassure the LA as to the integrity of the schools’ accounts.

**Overview**

Though the Local Authority will be collecting financial data from schools quarterly, there will be some instances when monthly returns are still required.

A school with a Deficit Recovery Plan will be required to submit monthly returns.

All maintained schools should continue to submit a VAT claim monthly which will assist with cash flow.

All schools must submit a monthly bank reconciliation to be received Schools Accountancy when submitting the VAT claim.

The quarterly returns will cover periods as follows:

|  |  |
| --- | --- |
| **Quarter(s) 1 – 4** | **Submission date to Local Authority** |
|  |  |
| 1st April – 30th June  | 13th July |
| 1st July – 30th September  | 12th October  |
| 1st October – 31st December  | 14th January 2019 |
| 1st January – 31st March 2018  | As per Closing timetable |

**VAT**

Schools should still claim VAT monthly as required by HMRC, however, this process was previously part of the month end submission and the figures were taken from the Schools “Posting Summary”.

As financial submissions will now only take place quarterly, Schools will be required to send in a copy of the VAT reports for the month. Barnet Local Authority will publish due dates for the monthly returns from Schools. You will need to ensure VAT reports are submitted by the due date. Failure to submit the VAT report by the due date will mean the VAT claim will not be paid to the School until the following month.

The reports must clearly show the Input VAT (Purchases) and the Output VAT (Sales).

In addition, every month, Schools Accountancy will choose a small number of schools at random to submit documentation supporting the School’s VAT claim.

Most of Barnet Schools use RM Unify which produces one report for Input VAT and one report for Output VAT. Other accounting systems may not provide individual reports for Input and Output VAT but should then produce a VAT return for the period showing the Input and Output VAT as well as the NET claim.

The following are VAT reports from RM Unify:









For RM users, please provide both the Input and Output VAT report even if the claim is nil due to no activity within the month.

IMPORTANT

**Currently in RM Unify, if you do not rollover each month (after claiming VAT) the VAT report will not clear which could result in duplicate claims.**

**Bank Reconciliations**

These are required to be submitted monthly and can be produced from RM Finance.

Schools are required to reconcile Bank statements to the last day of the month. The reconciliation summary should be signed by the Head Teacher and this version should be retained in school. Returns submitted to Schools Accountancy should have the Head “cc’ed” to signify the Head’s authorisation. The Bank “Rec” should be submitted with a copy of the bank statement, used in the process.

**Quarterly Returns**

Schools’ posting summaries will be uploaded to Integra quarterly.

Posting Summary

Each quarter’s return will include 3 months’ data. Therefore, the posting summary submitted will need to include figures for the last 3 months.

*Example: Quarter 1 return will include transactions for April – June 2018.*

Schools should continue to rollover their accounting system on a monthly basis, to avoid duplication of VAT claims. Therefore, it will be necessary to add the figures from the 3 individual posting summaries together in order to submit one posting summary to Schools Accountancy.

Monthly posting summaries should not be sent to Schools Accountancy as they will not be processed. The figures must be included on the Quarterly posting summary template provided.

Only one month’s VAT claim should be included.

Example: Quarter 1 return will include:

* Posting summary for figures: April – June
* VAT claim for June only (as April and May were previously claimed).
* Bank Reconciliation & Reconciliation of Funds (see below)

Bank Reconciliation & Reconciliation of Funds (NEW)

In addition to sending in the Bank Reconciliation Summary from RM (or other finance system), an additional reconciliation form will need to be completed quarterly.

This form will be available on the LB Barnet School Funding & Finance website.

Schools are required to reconcile Bank statements to the last day of the month. The reconciliation summary should be signed by the Head Teacher and this version should be retained in school. Returns submitted to Schools Accountancy should have the Head “cc’ed” to signify the Head’s authorisation. The Bank “Rec” should be submitted with a copy of the bank statement, used in the process.

Below is a copy of the form.



Integra Reports and Quarterly Forecasting to the Year End

Every quarter, Schools will need to include a Forecast to the year end in the quarterly submissions.

The forms need to be completed by using figures from the latest Integra reports (available on the School Funding and Finance website) plus you will need to complete a column stating how much income and expenditure is anticipated to the year end.

A comment is required for all variances shown.

There is no column for Virements as the Borough will no longer adjust the original budgets submitted by Schools, as recorded in the Council’s school accounts.

Under the Scheme schools are permitted to vire between budget heads subject to relevant approval within the school. However, it is recommended that these are kept to a minimum so as not to obscure deviations from the school’s original budget plan.

As with existing Budget Forecasts, the Forecast must be approved by the Headteacher on behalf of the school before submission by the required date.

Below is a copy of the form:



**Schools with a Deficit Recovery Plan**

Schools with a Licenced Deficit recovery plan need to submit all returns including a Posting Summary on a monthly basis according to a published timetable.

This is to enable the school’s financial position to be monitored and compared with the agreed recovery plan budget.

Other schools which are forecasting a deficit budget position or appear to be heading for a deficit budget at year end may also be required to submit monthly financial returns by the Chief Finance Officer.

**Barnet School Funding & Finance Website**

The website provides information and guidance as well and financial data for Schools.

All relevant forms returns are made available on the website.

It is important the Integra reports are checked and reconciled to the Schools accounting system for accuracy.

<https://www.barnet.gov.uk/wwc-home/information-for-schools/school-funding-and-finance.html>

**Communications and Enquiries**

Should you have queries on the revised system of returns please contact Schools Accountancy by email

Schools.Accountancy@barnet.gov.uk

Or phone 020 8359 7132 or 7223.

*When sending in returns to Schools Accountancy by email please put the* ***school name*** *first in the subject then the name of return.*