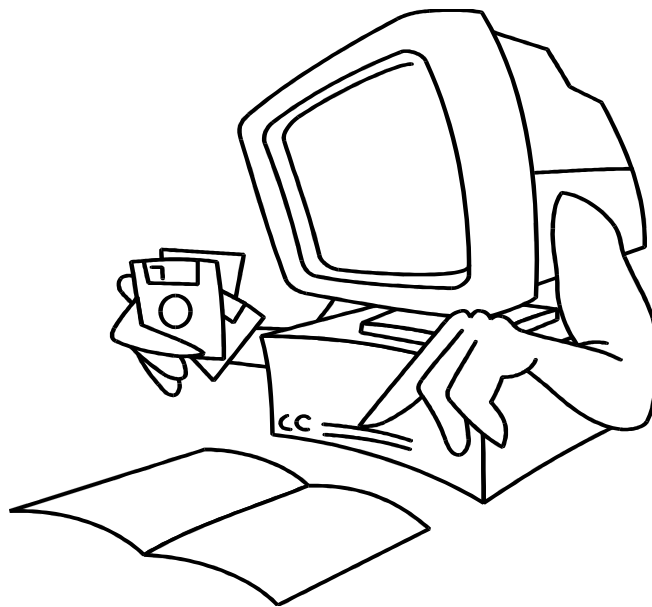**BARNET**
LONDON BOROUGH

# Year End Closedown Procedures 2010/2011

# For RM Finance Users

School Finance Support Service
North London Busines Park
First Floor – Building 4
North London Business Park
Oakleigh Road South
London N11 1NP

| | |
|---|---|
| Telephone Helpdesk | 0208 359 7231 |
| Fax | 0208 359 7324 |
| Email | schools.support@barnet.gov.uk |

Finance Support

**RM** Finance

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- **Closedown Procedures**

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# Year End Procedures

**Financial Year 2010/2011**

## 1 Introduction - Old Financial Year 2010/2011

You must read through these notes before completing any of the instructions. They should enable you to produce the data to complete the year-end forms and enable you to roll over your data file.

Schools must produce the period 12 returns (March) electronically as per the schedule. These are the **Posting Summary, Bank Reconciliation and Summary of Year-End Creditors, Debtors, Payments and Receipts in Advance,** the guidance is given in the Closure of accounts booklet for 2010/11 which is on the Funding and Finance Website

Make sure that All Bank Accounts are reconciled to the statement(s) dated 22nd March 2011 **do not reconcile to a later date** and the cashbook reconciliation is completed; this will be on the Funding and Finance Website

There maybe codes in the new financial year that you will not be using in the new financial year, therefore you need to ensure that any transactions that are **attached to these codes have been cleared before rolling forward into the new financial year.** If there is a transaction attached (cheque) to a code when you roll into the new financial year you will not be able to delete the code, and if the code will not be used again, you will need to edit the Budget Account Code description to **Do Not Use and default it to the Budget Heading "20 Old"**

- 
- *Take two back ups from the system so that if you make an error you can restore to a reconciled position and also ensure if a disk gets corrupted you have a spare*
- 
- For those of you who use usb flash pens you can back up the datafile onto the pen but this would have to be kept separately, you can also back up on a CD. To do this you will need to go into Windows Explorer and follow the path to the datafile e.g. D:/Datafiles/Cash/filename.df1. Highlight the datafile, right click on the mouse and select copy. This will copy datafile to the clipboard. Follow the path to the removable E drive then right mouse click and select paste. The datafile will now be copied onto the pen, this process can also be followed for copying to your CD or USB pen drive
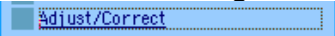
Retain all back up **CD's/USB pen** for the old financial year. You must not over-write these backups. Clearly mark these CD's with the financial year and the position at which, the backup was completed e.g. period 12 not including
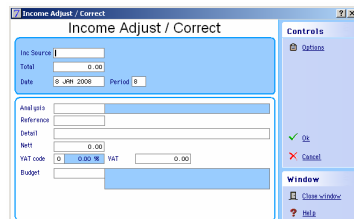
schedules creditors


- ### *Do not run Period End*


- ## 2 Lettings Insurance

For schools that do lettings and charge the LA insurance this needs to be paid back to the LA.  Print out a report on I08INS the code used to pay in the insurance, this will be used as the documentation when raising a cheque

You will need to go to Transactions and click on **Income** Income click on Adjust/Correct the following screen will appear

-
-
-
-
-
-         To complete the transaction-
  - Enter the income source e.g. Ins
  - Enter the amount of the repayment
  - Enter the date
  - Enter **I08** as the analysis code
  - The reference is the number of the manual cheque
  - The details is repayment of Lettings Insurance 2009/10
  - Do not touch the Net or VAT amounts there is no VAT on this transaction
  - Enter the budget account code e.g.**I08INS**

Draw a manual cheque and use the printout to enter the details of the cheque and have this authorised by an authorised signatory.  Send the cheque to the Insurance Dept. 1st Floor, Building 4, North London Business Park, and Oakleigh Road South, London N11 1NP
-
- ## 3 Purchase Orders

**Before you roll over into the new Financial Year**

If you have orders outstanding for building maintenance work for the financial year 2009/10, assurance has been given by the building maintenance team that they do not have any old outstanding invoices; therefore you will need to de-commit any old orders. You should be receiving invoices from the Building Maintenance service for 2010/2011 by late March but if you do not receive them then you will need to put them on you creditors list for 10/11 internal creditor

You should have verified that all **outstanding purchase orders** on the system are

valid and no more than 2 months old. All outstanding orders will roll over on RM Finance in the new financial year. Any purchase orders that are no long valid delete from the system

You will need to print a list of all outstanding purchase orders to help you validate which ones are still outstanding and should be rolled forward into the new financial year

To do this go to **Transactions,** then into **Reports,** then into **Purchase Orders,** and the following screen will appear
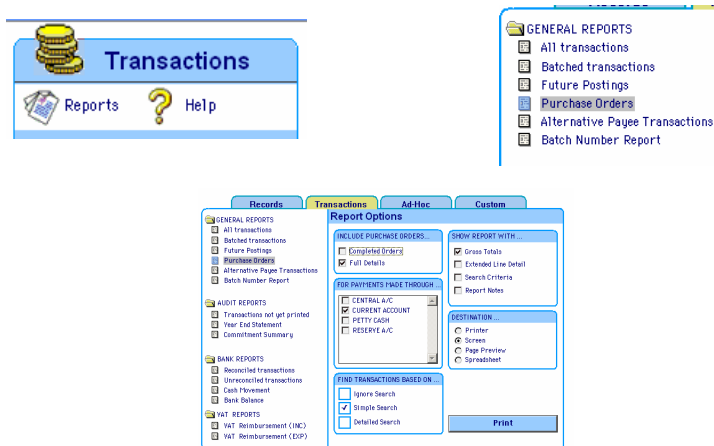
Select the options as shown on the above screen and print a list of all outstanding orders

- **To Cancel/Complete a Purchase Order on RM Finance**
  - Go into Transactions
  - Go into Expenditure Amend & Process.
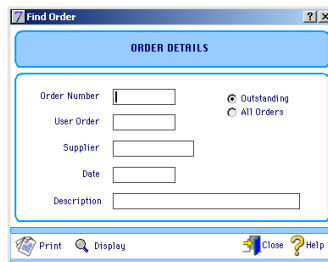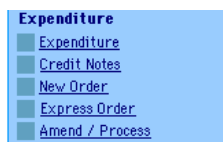
Enter the number, the computer generated number

- Click on Display Order and this will take you into the
- Click on the **completions box** at the bottom of the screen and cancel the order. **Do this for all the relevant orders.** This will remove the commitments from the system.
-

- **4    Creditors**
-

If you have stopped spending at the end of January you may not have many creditors.  You will need to interrogate the system as explained in **Section 3 of this guide for outstanding orders** to establish if you have received the goods, and you will not be paying for them until the next financial year.  This is important as these commitments will form part of your under-spend. Also included in your under-spend will be any unspent balances from your Standards Fund 2010/2011 any standards funds for 2010/2011 should have been spent by August 2011. The Headteacher, budget holders and Governors will need to be aware of the value these commitments and balances are worth to establish the true position of their carry forward into the next financial year

- You will need to investigate if any goods or services have been delivered or provided where no official order has been raised and therefore no commitment has been entered onto RM Finance.  These could be goods or services relating to the premises eg building works/maintenance, in these cases you will need to clarify the position with the Caretaker or Premises Manager.  You must ensure that official orders are raised for these goods or services and entered on RM Finance in the normal way in the new financial year

The Closure of Accounts for Schools shows how to complete the Summary of Year End Creditors & Debtors Internal and External see appendix 3 and 5 of the procedures.  The **minimum aggregated figure is £100 and the figures rounded to the nearest £1**.  The aggregated total will be broken down according to the budget holders for example E19(depts).  When you input this information onto RM Finance, you must ensure that the totals under e.g. E19 add back to the aggregated total shown on the Summary returned to the LA.  If the aggregated total is less that £100 these will form part of the under spend, therefore budgetary provision should be made in the new financial year

To find out if you have paid for all of the traded services go into **Records** then into **Budget Accounts,** find the code you need to investigate eg **E28HR**, **E23INS** etc you will be able to see if the account has been paid in full, do this exercise for all traded services under E27 and E28 codes

To find out the detail of any payments on an account click on the spy glass against balance remaining  Balance Remaining    0.0 ✗    0.50 🔍  the following screen will appear
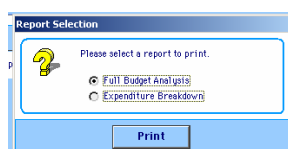


- Move the radio button to **Full Budget Analysis**
- Select the destination of the report to printer or screen
- **Print transactions for this period only** Click on **No**
- **Show transaction description** on report
- Click on **Yes**

- This will produce a **Cash Transactions Details (Year to Date)** report giving the information you will need

Continue in the same manner for other budget codes to establish whether payment has been made or not eg Building Cleaning **E14CLE**  you must ensure that the contract is within budget, if not then you must query it
-
- **4.1  Utility Creditors**

You will need to interrogate RM Finance for the utility codes **(E15-water, E16-gas, electric, oil and E22-telephones)**, to establish whether you need to complete a Creditors Form (Closure of Accounts for Schools).  If the aggregated total is **less** than **£100** for each analysis code, then do not enter them on the Summary, but make provision in the New Year budget as the amounts will form part of the under spend.

This is an example of the information contained within the report

Cash Transactions Details (Year to Date)

| Account | Description | | Date | Nett | VAT | Gross | Voucher |
|---------|-------------|-----|------|------|-----|-------|---------|
| EAST | Out of date cheque | ESC | 19 Jan 2011 | -537.42 | -94.05 | -631.47 | 5663 |
| CRED | Creditor 09/10 | ESC | 22 April 2011 | -580.00 | 0.00 | -580.00 | 5668 |
| EON | 059397 | ESC | 16 Dec 2011 | 1033.47 | 155.02 | 1188.49 | 5702 |
| POWER | 01-09-09_31.09.09 | ESC | 14 Oct 2011 | -188.27 | -32.95 | -221.22 | 5765 |
| POWER | October | ESC | 12 Nov 2010 | 569.15 | 82.37 | 651.52 | 5766 |
| POWER | November | ESC | 15 Dec 2010 | 427.06 | 64.06 | 491.12 | 5767 |
| POWER | December | ESC | 14 Jan 2011 | 336.60 | 50.49 | 387.09 | 5768 |
| POWER | January | ESC | 2 Feb 2010 | 505.81 | 72.87 | 578.68 | 5769 |
| EON | 059397 | ESC | 15 Sept 2011 | 1350.19 | 202.53 | 1552.72 | 6038 |

| EON | 059397 | ESC | 7 Oct 2010 | 1103.86 | 165.58 | 1269.44 | 6039 |
|-----|--------|-----|-----------|---------|--------|---------|------|
| EON | 059397 | ESC | 6 Oct 2010 | 358.41 | 53.76 | 412.17 | 6040 |
| EON | OOPDNHO11004 | ESC | 27 Nov 2010 | 737.10 | 110.56 | 847.66 | 6244 |
| | | | Expenditure | 5115.96 | 830.24 | 5946.20 | |
| | | | Income | 0.00 | 0.00 | 0.00 | |
| | | | Internal Charges | 0.00 | 0.00 | 0.00 | |
| | | | Total | 5115.96 | 830.24 | 5946.20 | |

For those schools who have shared costs they will have internal debtors on utilities and will need to investigate E16 (energy) and E15 (water).  You should print out reports for each of these codes to establish if income has not been received.  You will need to complete the Summary Form see (Closure of Accounts for Schools section 7) as a net figure, e.g. Creditor for £800 less a debtor (money owed to you from another school) -£200 the Summary of Year-end Creditors & Debtors will show the figure of £600 under the appropriate CFR code.

You will now be able to follow the same procedure for all other budget codes eg Contracted Services code E27 and E28 etc if applicable

## 4.2    Debtors

If you have regular lettings paid in on codes I08 (lettings) you will need to look through your lettings invoices to establish if you have any outstanding debtors at 31 March.  If they aggregate to more than £100 then enter the total onto your Summary Form see (Closure of Accounts for Schools section 7).  See example below. **You must ensure that these payments are received in the new financial year**

| | | |
|---|---|---|
| Inv. 100236 | Pool Party Mr. Sherwood | -100.00 |
| Inv. 125632 | Hall letting for wedding Mrs. Brown | -250.00 |
| Inv. 125639 | Hall letting for wedding Mrs. James | -400.00 |
| Inv. 125645 | Hall letting for wedding Mr. Kirwin | -350.00 |

**Total Outstanding  £1,100**

## 4.3    Receipts in Advance

If you have regular lettings you should print reports on codes I08 (lettings) to establish if any deposits have been received but which relate to the new financial year 20010/11. Go into **Records,** and then **Budget Accounts** find the relevant budget code then click on the spyglass against **Balance Remaining.**  This will produce a **Cash Transactions Details (Year to date)** Report see section 4 of these procedure's for details on how do this

The report will assist you to complete your Payments in Advance form [Year End Closure of Accounts Procedures]. If the aggregated figure is under £100 these items will not need to be entered onto the summary, but you will need to enter them onto the in house schedule

```
LETT  I08   I08LET      500240  ADMIN    INC   11 MAR11   -100.00
LETT  I08   I08LET      500242  ADMIN    INC   19 MAR11   -150.00
```

Again you will record the net effect of the Debtors and Receipts in advance on the Summary of Year-end Creditors & Debtors under the appropriate CFR code.

## 4.4    Payments in Advance

Payments in Advance will mainly be used by Secondary Schools where payments relate to examination fees code (E21EXA). Primary schools PIP exams should be coded to E19EXA. They may also apply to field study trips [code E19FLD] or school journeys [code E19JOU] that will not take place till the summer term 2011.  The amount that has been prepaid will need to go on the Payments In Advance form if it is more than £100 if they do not then you will need to make provision if the budget in the new financial year [See Closure of Accounts for Schools section 7]

Go into **Records** then **Budget Accounts,** click on the spyglass against **Balance Remaining, (**this will produce a report called **Cash Transactions Details Year to Date)** for each of the above codes**.**  These reports will give details of all expenditure for the current financial year.  From this report you will be able to establish if you have paid any deposits, which relate to the new financial year.
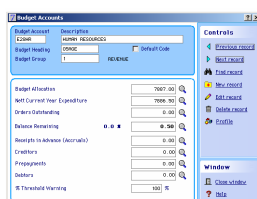


To find out the detail of any income that has been received on an account click on the spy glass against balance remaining  the following screen will appear
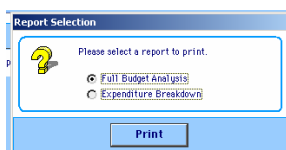


- Move the radio button to **Full Budget Analysis**
- Select the destination of the report to printer or screen
- **Print transactions for this period only**
- Click on **No**
- **Show transaction description** on report
- Click on **Yes**
- This will produce a **Cash Transactions Details (Year to Date)** report giving the information you will need
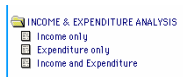
- **5    Reconciliation of Bank Accounts - Reports**

**BvAvC Reports**

Go into Records select Reports then select **"Budget vs Actual vs Committed"** run each of the four budget groups 1 - Revenue, 2 - Capital, 3 and 4 are both Standards Funds and any other groups that you may have set up to suit your schools system

These are the reports that are run at the end of each month and given to the Head teachers (copies of which should be retained on the school central file for information or on your computer print out file).  These reports will show the total posting for the financial year under the column **Actual Spent Received for Revenue, Capital and Standards Funds etc**

**Income and Expenditure - Report**

**Before you run period 12 (year-end)** you need to verify that the information on the system is correct to the latest School/LA reports.  To do this goe into **Records** then **Reports**.  Under Income and Expenditure Analysis **highlight** Income and

Expenditure  **s**elect the print destination the following screen will appear
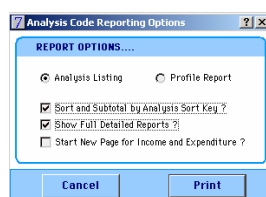


- Move the Radio button to **Analysis Listing**
- Click on the box **Sort and Subtotal by Analysis Sort Key?**
- Click on **Show Full Detailed Reports?**
- Leave the final box blank Start New Page for Income and Expenditure? Unless you require separate pages

This report will allow you to check each analysis code against the codes shown on the School/LA Report sent to schools from the Local Authority. Any amendments should be made at this stage and printouts produced

**5.1    Reconciling Bank Balances**

You need to ensure that all the bank balances and financial summaries agree to the actual bank statements to ensure that there are no errors on RM Finance

To do this you need to go into Financial Summary and check the balances for each account and ensure that these agree to the final bank statements
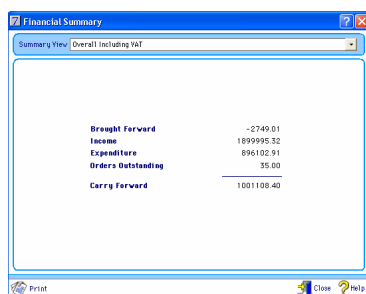


Click on the drop down against summary view to see each account balance

Go to Transactions>Reports>Bank Balances and check that these balances agree to The Financial Summary and the actual bank statements.

If these do not agree you need to check when they went out of balance or if there is a compensating error, or there could be a system error which needs to be checked by RM Finance



The accounts most schools have are as follows

- Budget Share Account (Advance)
- Central Fund (Payroll)
- Instant Account (Reserve)
- Petty Cash

Print out reports for each of the bank accounts via Financial Summary and Transactions – Reports - Bank Accounts

The sum of the three accounts should equal the total of the **Actual Spent/Received** from the **Budget vs Actual vs Committed Report** plus the previous years under spend.

You must verify that the School Budget Share Account (Advance) and Instant Account (Reserve) Bank Balances agree to the totals on the Cash Book Reconciliation.

Take prints outs of all the above reports and keep these on the RM Finance monthly printout file.

Follow the procedures below before rolling over:

## 6    Cash-Book Reconciliation

You should be completing the Cashbook reconciliation as part of the normal month end procedures

| Westmill | Posting Summary Reconciliation | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | July | August | September | October | November | December | January | February | March |
| Balance Bfwd previous year | 72739.54 | 72739.54 | 72739.54 | 72739.54 | 72739.54 | 72739.54 | 72739.54 | 72739.54 | 72739.54 |
| Previous Year Payment | -4216.00 | -4216.00 | -4216.00 | -4216.00 | -4216.00 | -4216.00 | -4216.00 | -4216.00 | -4216.00 |
| VAT Claim Balance B/Fwd | 7252.81 | 8666.05 | 8666.05 | 9920.93 | 10809.45 | 12464.86 | 12939.79 | 13495.94 | 16231.56 |
| VAT Claim | 1413.24 | | 1254.88 | 888.52 | 1655.41 | 474.93 | 556.15 | 2735.62 | 826.64 |
| Adjustment 1 | | | | | | | | | |
| Cumulative Total VAT Claim | 8666.05 | 8666.05 | 9920.93 | 10809.45 | 12464.86 | 12939.79 | 13495.94 | 16231.56 | 17058.20 |
| Posting Summary Balance B/Fwd | -64724.47 | -58753.73 | -58753.73 | -9923.23 | -50157.50 | -16946.99 | -42282.60 | -44425.90 | 19030.47 |
| Posting Summary | 5970.74 | | 48830.50 | -40234.27 | 33260.51 | -25731.61 | -2143.24 | 63456.37 | -15242.86 |
| Adjustment 1 | | | | | -50.00 | 396.00 | -0.06 | | |
| Adjustment 2 | | | | | | | | | |
| Adjustment 3 | | | | | | | | | |
| Cumulative Total Posting Summa | -58753.73 | -58753.73 | -9923.23 | -50157.50 | -16946.99 | -42282.60 | -44425.90 | 19030.47 | 3787.61 |
| Computed Bank Balance | 135943.32 | 135943.32 | 88367.70 | 129490.49 | 97935.39 | 123745.93 | 126445.38 | 65724.63 | 81794.13 |
| Adjusted Bank Balance | 117043.32 | 0.00 | 69467.70 | 110590.49 | 97935.39 | 123745.93 | 126445.38 | 65724.63 | 81794.13 |
| Difference | 18900.00 | 135943.32 | 18900.00 | 18900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

- Enter the amount of VAT that you are reclaiming Net
- Enter the total from the bottom of the Posting Summary
- Enter the adjusted bank balance
- The difference should be zero

If your bank reconciliation balances, and you still have a difference you need to check that you have printed off the latest Posting Summary, and you have entered the correct VAT amount.  If the cashbook reconciliation still shows a variance please contact the Helpdesk on 0208 359 7231

## 7      SAP Reconciliation

You should agree the RM Finance bank accounts with the **School/LA Accounts Report** on a monthly basis. The information on RM Finance should be reconciled against the latest Schools/LA Statement of Accounts Report sent by the LA. This exercise can be done using the Excel spreadsheet Month End LAFIS Reconciliation as follows

**London Borough of Barnet**
**Schools Finance Support Service**
**Monthly SAP Reconciliation**

| Name of School | Westmill | | Cost Loc | 999 | |
| Month | March | | Period | 12 | |
| Cash Accounts - Income & Analysis Report | | | LAFIS - Transaction Listing | | |
| | | | | | |
| Income | -636057.39 | | Revenue | 12 | -139143.49 |
| | | | Capital | 12 | 32165.19 |
| Expenditure | 462866.40 | | Posting Summary | March | 1577.80 |
| | | | VAT Expenditure | March | -305.44 |
| | | | VAT Income | March | -0.93 |
| **Total** | **-173190.99** | | **Total** | | **-173190.99** |
| BvAvC Revenue Spend | -173190.99 | Group 1 | B/forward Revenue | | -43356.00 |
| BvAvC Capital Spend | | Group 2 | B/forward Capital | | -12057.00 |
| BvAvC S/Fund | | Group 3 | | | |
| BvAvC S/Fund | | Group 4 | **Total Incl Bal B/Fwd** | | **-228603.99** |
| **Total Spend** | **-173190.99** | | | | |
| | | | **Bank Accounts** | | |
| **The totals of A,B and C should all be the same** | | | | | |
| | | | School Budget Share (Advance) | | -84365.12 |
| | | | Payroll Account (Central) | | -88526.16 |
| | | | Reserve Account | | -55712.71 |
| | | | VAT Claim unpaid | | |
| | | | **Total** | | **-228603.99** |

**This document should be signed and dated by the authorised signatory**

You will need to complete this exercise again when the provisional outturn report is received to take account of any changes (Central Account only).  The figure will need to be finalised and agreed to the Schools/LA Statement of Accounts Report Period 13

***Do not proceed with the Run Period End procedure if the figures do not agree and all bank accounts are not fully reconciled to the LA reports for the period 13***

## 8    Entering Year End Creditors and Debtors etc

Whilst still in period **12** post all items shown on the summary of Year End Creditors & Debtors to the appropriate budget account codes in financial year 2010/11

Follow the instructions for entering the creditors and debtors etc as per the table below.  You will need to have a supplier code set up for **Creditor** and an income code set up for **Debtor** (**Records, Income Sources & Suppliers, New)**  Please ensure the radio button is set on Income or Supplier if setting up a new supplier or income account.

The form will need to be photocopied to provide one set for the old financial year and one for the new financial.  One set should be marked **New Year** and all details should be entered on Cash Accounts when you have rolled over into the new year

| | Old Year | | New Year | |
|---|---|---|---|---|
| Creditor | Debit | **Transactions Expenditure** Central Fund | Credit | **Transactions Credit Note Central Fund** |
| Expenditure Debtors | Credit | **Transactions Credit Note** Central Fund | Debit | **Transactions Expenditure Central Fund** |
| • <br> •       Income Debtors | Credit | **Transactions Income** Central Fund | Debit | **Transactions Adjust/Correct Income Adjust/Correct Central Fund** |
| Payments in Advance | Credit | **Transactions Credit Note** Central Fund | Debit | **Transactions Expenditure Central Fund** |
| Receipts in Advance | Debit | **Transactions Adjust/Correct Income Adjust/Correct** Central Fund | Credit | **Transactions Income Central Fund** |

# Do not use the RM Finance Accruals Facility

## 9    Backing up your Data-File

To back up the current and old year data files follow the procedures below:

Click on the [icon] on the top right hand side the following screen will appear
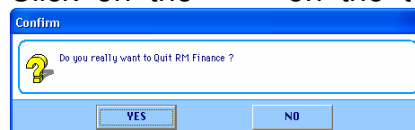
click on YES the safe backup screen will appear
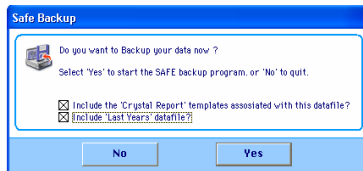
 you must ensure that you click on the box to include 'Last Years' datafile?  this will zip both the current and old years data files, click on YES the following screen will appear
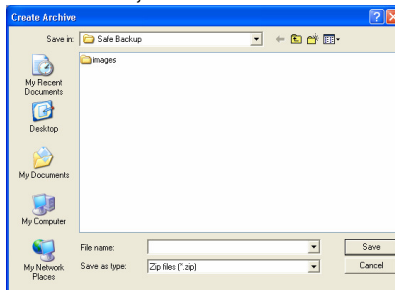


This is the create archive file and will automatically assume you want to save into a folder Safe Backup, you can choose to save the zipped files else where e.g. on the desk top it is suggested that when saving you give the zipped file a date e.g. 14.09.2010. This will enable you to go back to this file in the event of an error or omission

Once you are assured that all the accounts are correct and you have sent off all the returns to the LA

## _Take a further back up before starting Year-End_

**10      Run Year End      -       Period 12**

When everything has been entered for period 12 run the period end routine.  The system will automatically change the period end into a year-end routine and advance the system to **period 1 for the New Year**.  The old year data will be preserved and can be used until the year is finally closed (e.g. when you have entered March salaries and balanced the outturn figure this is usually June)

The following screen asks you to **Run Year End**
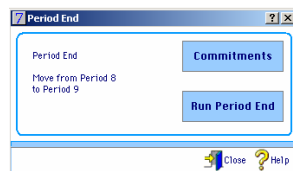


- Click on **Run Year End**
- Click on **Yes** to "Outstanding commitments on the system will be cleared. Ok to continue?"  All commitments that you leave on the system will be rolled into period 1.
- Click **Yes** to "Have you posted all the batches for this period?"

The system will prompt you to complete the bank reconciliation, this should have been done by this stage. See screen below
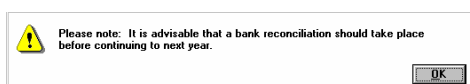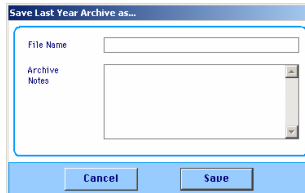
- Click on **OK**
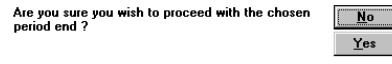
The next prompt to be displayed is as follows

- Click on **Yes** to continue

The system will then prompt you to back up your data file. Record each disk with the information at what stage of the closedown procedure the backup was taken. When you continue past this stage after taking a back up of your data, a box will appear, asking for a File Name

The name can be no more than 8 characters long (e.g. WEST0809), this will be the old data file name make a note of this name of your year end printouts. There will also be a space for Archive notes for example Name of School, accounts for financial year 2008/09

## 11    New Financial Year

### Introduction

Once you are in period 1 of the **New Year** you will need to do some housekeeping on the Budget Accounts. You will need to delete all Budget Accounts codes that you will no longer be using. However, any code that has an unreconciled item (e.g. outstanding Cheque) attached to it will not be able to be deleted until the following financial year. You will need to edit or opt to move the code to Budget heading **"20 Old"**
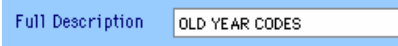
### 11.1    Deleting/Editing old Budget Account Codes

You need to **remove all Budget Account Codes** that have been brought forward from the previous financial year and are no longer required in the new financial year. To do this follows the instructions below

- Go into **Records**
- Select **Budget Accounts**
- On the Control Panel are previous **Previous record** and next **Next record** use these to go through the Budget Account Codes one by one
- Click on the **Delete record** button to delete a budget account
- The system will prompt a response
- Click on **Yes**
- The code will be deleted

- Follow this procedure for all unused or unwanted **Budget Account Codes**

In the new financial year if your have any code that is attached to an unreconciled item (cheque) you will need to take this budget account code out of the normal Budget heading and budget group and use 20OLD so that these account codes do not appear on your BvAvC report when using budget groups. Follow the instructions below:

- Set up a new **Budget Heading called 20OLD If this does not exist already**
- Click on the button  New record in the control panel
- Enter 20OLD in the Budget Heading `Budget Heading  20OLD`
- Enter Old Year Codes in the Full Description `Full Description  OLD YEAR CODES`

When you need to edit a budget account code follow the instruction below:

- Go to **Records, Budget Accounts**
- Click on the binoculars `Find record`
- Enter the budget account code you wish to edit e.g. E19BUR
- Select the `Edit record` button this will default to the description box
- Edit the text **"Do Not Use"**
- Go to the **Budget Heading**
- Change the **Budget Heading** to **20OLD (Old Year Codes)**
- Delete any relevant **Budget Group**
- Click on **OK**
- Do this for any other redundant codes that cannot be deleted
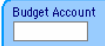
## 11.2   Setting up Budget Account Codes

If you do need to set up new Budget Account Codes follow the instructions below. The Budget Account codes have already been set up in the old financial year and have been brought forward into the New Year. Should you wish to add additional codes they should be set up with the prefix of the **LA analysis code (CFR codes)** and a three-letter suffix, which will identify the type of expenditure?  E.g. E19 (CFR code) JOU (School Code) School Journey Expenditure

To set up or edit any of the Budget Account Codes proceed as follows:
- Select **Budget Accounts** `Budget Records  Budget Accounts`
- The following screen will appear:
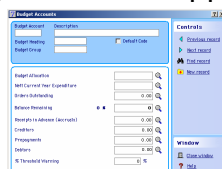
- Budget Accounts screen
- Click on `New record`

- The cursor will flash in the Budget Account box `Budget Account`

- Type in the relevant budget account code and suffix CFR Code and School Description
- Tab to the description box
- Enter the description that best describes the type of expenditure e.g. Admin/Clerical Staff
- Tab to the **Budget Heading** Budget Heading
- The **Budget Heading** can be chosen from a drop down menu by clicking on the down arrow next to **Budget Heading**
- Then select the Budget Heading for the type of expenditure eg 02EMP for Employee Expenses
- Then select a budget group e.g. **01** for Revenue, **02** for Capital or **03/04** for Standards Funds (for schools that use these budget groups) and/or any other budget groups
- Click on **OK** to save this Budget Account Code

Continue entering all the codes as per the RM Finance Budget vs Actual vs Committed Report attached to the back of this guide
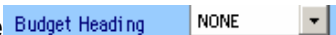
## 11.3 Checking Data

Print a **Budget vs Actual vs Committed** report to ensure that all the Budget Account Codes are correct and are sitting under the correct budget heading

Check that the Budget Account Codes are aligned with the new Budget headings as set out below with an extender for each code e.g. I01DF (delegated funds) I05SF (standards funds) this will apply to all your budget account codes:

| 01REV | Revenue Income | I01 | to | I17 |
|-------|----------------|-----|-----|-----|
| 02EMP | Employee Costs | E01 | to | E11 |
| 03PRE | Premises Costs | E12 | to | E18 |
| 04SUP | Supplies & Services | E19 | to | E25 |
| 05AGE | Agency & Contracted Services | E26 | to | E28 |
| 06REV | Revenue Holding Codes | E30 | to | CONT |
| 08CAP | Capital Income | CI01 | to | CI02&CI04 |
| 09CAP | Capital Expenditure | CE01 | to | CE04 |

If the codes do not align correctly follow the instructions below:

- Select **Budget Accounts** Budget Records Budget Accounts
- On the Control Panel are previous Previous record and next Next record use these to go through the Budget Account Codes one by one
- To find a record click on the binoculars Find record
- With any code that does not have a Budget Heading attached you will need to attach the Heading
- Select the Edit record button this will default to the description box enter the description
- Click on the down arrow against the Budget Heading NONE
- From the drop down box select the **Budget Heading** that is applicable to

the  CFR code
- You can also edit **Budget Groups** in this screen for schools that use budget groups
- Do this for all budget account codes

### 11.4    Income & Expenditure Analysis Codes

Check that the **Income & Expenditure Analysis Codes** are aligned with the correct Budget Headings all of these codes do not have an extension after the first three digits e.g. I01 is the analysis code for income delegated by the LA:

- Go into **Records > Reports > Income and Expenditure Reports**
- Check each **Analysis Codes** is aligned with a **Budget Heading**
- If the codes are not aligned go into **Records**
- Select **Income & Expenditure Analysis Codes**
- Scroll through to the codes using the previous ◁ Previous record and next ▷ Next record buttons on the control panel
- Select the ✏ Edit record
- Go to the **Sort Key** box then enter the **Budget Group** there is not drop down box to select from

| 01REV | Revenue Income | I01 | to | I17 |
|-------|----------------|-----|----|----|
| 02EMP | Employee Costs | E01 | to | E11 |
| 03PRE | Premises Costs | E12 | to | E18 |
| 04SUP | Supplies & Services | E19 | to | E25 |
| 05AGE | Agency & Contracted Services | E26 | to | E28 |
| 06REV | Revenue Holding Codes | E30 | to | CONT |
| 08CAP | Capital Income | CI01 | to | CI02&CI04 |
| 09CAP | Capital Expenditure | CE01 | to | CE04 |

For schools that have set up Standards Funds on RM Finance using Budget Groups they will need to ensure that all expenditure for the financial year 2008/9 is spent. This expenditure should have taken place before 31 August 2009.  If the Budget Group for the financial year 2009/10 is, Group 4 then by rotating Group 3 and 4 then Group 3 will be used for the financial year 2010/11

### 12    Final Checks

Run off a **Budget vs Actual vs Committed** and **Income and Expenditure** Report. Check that all of the codes are aligned to the correct **Budget Heading**.  At this stage you can add more codes according to the schools individual needs do not use more codes than you need this just makes the report to long.

## 13 New Financial Year

All Bank Balances will be brought forward automatically, and the brought forward figures on the School Budget Share, Reserve Accounts and Petty Cash (if applicable) should agree with the closing position on the Cash Book Reconciliation in the new financial year.  To check this, go into **Transactions, Reports and Bank Balance.**  By selecting each bank account in turn you will be able to print off the balance as shown below. You will need to print each bank account individually.



You should also print a Financial Summary, Budget Summary to give you the Advance and Reserve account balances as well as the Central account balance as follows:



- The Schools Budget Share. Reserve and Petty Cash Account balances should agree with the  Cash Book Reconciliation
- Take print out of all the Bank Balances
- Take a hard copy of each account and keep these in the computer print out file under set up for the new financial year

## 14 Entering New Year Creditors, Debtors, etc

This financial year the school has received instructions regarding the completion of the Summary of Year End Creditors & Debtors.  They must make sure that you enter the creditors and debtors on the correct budget and analysis codes.  These creditors and debtors should have an **aggregated total of £100** per analysis code.  If the school wishes to break down this total to a lower level eg departmental codes you

must ensure that the total agrees to the summary returned to the LA follow the instructions below to enter the creditors and debtors

**Do not start to enter income or expenditure onto your system until you have entered the year-end creditors, debtors, payments and receipts in advance and agreed to the Summary of Year End Creditors and Debtors sent to the LA**

- To enter year end creditors on RM Finance you should have set up a **Supplier** using the short name **Cred** the Description **Year end creditors**
- To enter year end debtors on RM Finance you should have set up an **Income Source** short name **Debt** the full name **Year end debtors**
- When you have completed the above instructions enter the creditors using the supplier **CRED** for **year creditors** (see table on page 12)
- Take a printout from the system to confirm you have entered the correct amounts onto RM Finance.  Do the same for debtors using the Income Source as **Debt**
- Take a further back up at this stage and keep it separate from the regular back up discs

## 15     Entering the Budget

- Enter the budget from the Budget Plan Worksheet (detailed budget sheet) the Budget Plan must have been approved by the governing Body and signed by the Chair of Governors
- Go into **Transactions** select **Budget** the following screen will appear



- When entering and income code put the radio button on income and for expenditure move the button to expenditure
- Enter the budget account code e.g. E01TCH for teaching staff
- Enter the date you are posting the budget or 1 April 2011
- Enter the amount of the budget
- Enter the detail e.g. IB 11-12 (Initial Budget 2011/12)
- If you are not using Funding Streams and Cost Center's ignore the next two boxed
- When posting the budget if you have not pre-profiles your budgets you will need to do this as you go

### 15.1     Batching the budget

- You can enter the budget as a **batch** via **Transactions** select **Budget**
- When you are in the budget screen click on the  button the

following screen will appear  select Batch Transactions

- When you start to post your budget using this method you will need to give the budget a batch a number e.g. Budget 10-11
- If you do get interrupted you can always resume where you left off
- Once you have batched the budget go to Transactions highlight View / Post Batch double click

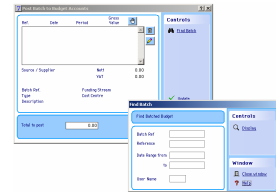- From the next screen select Budgets **Budget**

- You will need to find the batch to check and post

- In the box Batch Ref Batch Ref enter the name you gave the batch e.g. Budget 10-11 then click on display
- At this stage you can check the postings against the Budget Plan and correct any errors should you need to re-enter a budget go back into Transactions > Budget then re-enter the correct budget amount
- Once you have verified the budget click on the ✔ Update button
- When you have posted the budget print out a Budget vs Actual vs Committed and check that all the budget information is correct
- You can now fix your budget at this stage. This will leave your original budget on the system in order to compare it after virements have gone onto RM Finance. Go into System Manager and select Fix Budget
- You are now ready to start inputting new year income and expenditure in the normal way

- **16 Entering the Funding and Formula Allocation (central account)**

All schools must **code their funding as income**. **When schools receive a BACS payment for their funding this will be paid directly to the schools bank accounts and must be coded to I01.** This payment has to be posted as income onto RM Finance, using the School Budget Share Account (Advance Account); this amount will be shown on the Posting Summary

The formula allocation will not be entered as a one off entry. The LA's accounting system must incorporate codes for each of the CFR income and expenditure codes

**Option A Schools**

The Option A schools will receive a payment into the Schools Bank Account in April which will be a percentage of their funding via a BACS transfer. When schools receive their period 1/2 School/LA SAP Accounts Report they will see a transaction posted in the LBB Payroll column for the balance of their formula allocation under code l01. **Schools will need to pay this in as income on code l01 and post it to the Central Account**

**Option B & D Schools**

These schools will receive their formula funding as a monthly BACS payment into their bank account. Schools should pay this in the Schools Budget Share Account as income on RM finance and code it to I01. This payment will then appear on the monthly Posting Summary

## 17     Income & Expenditure - Payroll

All income and expenditure transactions should be posted in the normal way to the relevant bank account.

Option A schools who receive LBB Payroll will see these transactions on their School/LA Accounts Report. These schools must post their salary information shown in the LBB Payroll column to the **Central Account** in the normal way under the relevant code from the Transaction Listing

## 18     Old Year Transactions 2010/2011

Schools will need to post old year salaries and year-end adjustments after they have rolled over into the new financial year. Follow the instructions below to go back into the previous year's datafile (March) salaries end of April

**Switching between years [Last Years Data]**
- You need to go back into the **old year data file**
- Click on **System Manager** menu bar at the top of the screen
- Select Last Year Data



- Click on the **Switch to Last Year** option
- Confirm that you wish to **switch to last year's data**

**Confirmation screen displayed below**



**Click on Yes**

The screen will display **Previous Year Data** showing any notes that you entered when running the year end procedure
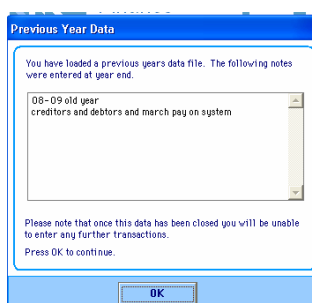
Press **OK** to continue and the system will switch to the previous year's datafile.  So that there is no confusion as to which data you are using the system will display the **Last Year's Data Banner** along the top of the screen



You will now be able to enter transactions
- Input salaries for **March of the old year (Central Account)**
- Print out a **Budget vs Actual vs Committed** report
- Print out the **Income and Expenditure** report
- Check that both these reports reconcile to the Transaction Report 1 to 13

You will need to print out a checklist to ensure that the information appearing on RM Finance agree with the final outturn statement from the LA.
- Select **Financial Summary**



- Choose **Overall incl VAT (1)**



- **Budget Summary (2)**

- Check the above summaries to ensure that the total funds available should be. The total budget less the net expenditure from the Transaction Report (Final Outturn)
- Any adjustments to the old year data files after the year has been closed should be reconciled in the new financial year

## 19    Rounding Adjustment

When you receive your under-spend/overspend notification from the LA in June you need to be aware that the Authority round it to the nearest £1.  You will need to make an adjustment to allow for the rounding in your Central Account.  This should only be a small amount under £1.  Code this to one of your employee codes (e.g.E01TCH)

Produce a Budget vs Actual vs Committed and further bank balances to ensure that your accounts do agree, Advance (Current) and Reserve (Deposit) these should still agree to the Cash Book Reconciliation and together with the Central Account should agree with the SAP Reconciliation and the final outturn report period 13 sent by the LA.  The brought forward figure shown on Financial Summary No 1 should agree with the outturn report

## 20    Closing the Previous Financial Year

## <span style="color:red">Do not run this procedure until you have received your outturn statement and reconciled it with RM Finance</span>

- Click on the **System Manager** menu bar at the top of the screen
- Click on **Last Year Data**
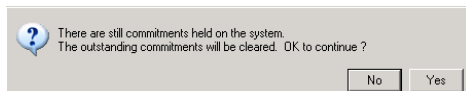- Click on **Period End**

**To perform year end**

Click on [Period End]

**If you currently in Period 12 or the old financial year then RM Finance will display the Year End screen.**



Click on [Run Year End]
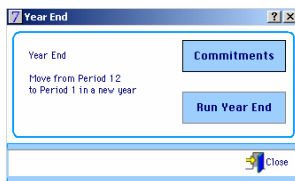
If you still have commitments on the system you will be informed that these will be cleared and asked if you wish to continue. They can be re-instated in the New Year.
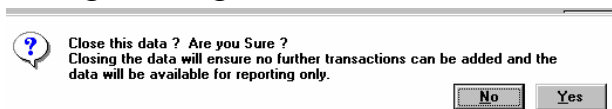


**To close last year's data file (after which no changes can be made)**

## <span style="color:red">*Very Important*</span>

The system will display a message warning you that closing the data will mean that no further transactions can be added and that it will only be available for reporting.

**Warning message at Close of Year**



- **Confirm as appropriate**

The system will close the year, but before your say yes double check that you have agreed to the LA account rounded to whole pounds and therefore no further transactions need to be posted

**To go return the New Year**

- Click on the **System Manager** menu bar at the top of the

  screen

  | Last Year Data | ▶ | Switch to Last Year |
  |---|---|---|
  | Fix Budgets | | Return to Following Year |

- Click on **Return to Following Year**

**The system will automatically return to the current year**

- **21   Conclusion**

I hope that you have been successful in completing the year-end roll over of your accounts.  Should you encounter any problems please do not hesitate to telephone the **School Support Section, Helpdesk on 8359 7231** and tell us where you are encountering a problem.

*When you have completed the Summary Form follow the instructions below for closing down the current financial year*