

Closure of Accounts 2024/25 Procedures for Schools.



February 2025

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Introduction

All templates and guidance documents can be found on the Local Management of Schools (LMS) website. The link to the website and the email address for all submissions can be found at the end of this document.

1. Period 11 Trial Balance (TB)

A P11 TB in an Excel format must be sent to Schools Finance by Tuesday 4 March. Please ensure all salaries, cash advances and other postings are complete as we will be starting our year-end checks based on this data.

2. Health Checks

A Health Check must be completed by Friday 7 March in preparation for closure of accounts. Please ensure these checks have been completed and send a copy of the completed and signed healthcheck to Schools Finance.

3. Lease Information

In order to comply with International Financial Reporting Standards all lease arrangements must be reviewed at year-end. The lease return should be completed, or a nil return, and sent to Schools Finance by Friday 14 March. Further details on the requirements will be communicated as soon as possible.

4. March Data

The final postings must be made in Period 12 on FMS by Tuesday 25 March.

- a) Payroll should be posted using the salary commitments on FMS unless your payroll provider can process your preliminary report before the 25 March. This process will be included in the year-end guidance sent by ITSS – if your school does not receive this please contact the Schools Finance team to arrange for a copy to be forwarded to you.

Any differences from the final payroll report and the postings made using the salary commitments will be posted as an adjustment in Period 1 of the new financial year. Schools must keep a record of the reconciliations between the old and new financial years.

- b) Schools will be notified of their March cash advance payment by Friday 21 March, these entries must be posted into FMS by Tuesday 25 March.

- c) Any debtors and creditors to be raised for the 2024/25 financial year must be posted in P12 by Tuesday 25 March. The MKCC materiality limit is £20,000 but schools are able to post lower amounts of debtors and creditors if this is material to the understanding of the accounts. Anything posted must be included on the debtors and creditors list and evidence provided for every entry.

- d) UIFSM – A debtor or creditor must be raised for UIFSM and must be recorded on the appropriate debtor or creditor list. Schools will have received an allocation of UIFSM grant funding in July 2024 via the Cash Advance. This funding will have been made up as:
 - i. Actual funding for April 2024 – August 2024
 - ii. Provisional funding for September 2024 – March 2025

Schools must calculate their actual funding entitlement for September 2024 – March 2025 and post the difference as either a debtor or a creditor. Calculations are based on the October 2024 and January 2025 census. The UIFSM calculation spreadsheet will be on the LMS website and will assist you to calculate the year-end debtor or creditor.

The 2024/25 allocations were calculated using the 2023/24 funding rate of £2.53, it has now been confirmed that an uplift to £2.58 will be implemented for the 2024/25 academic year. This additional payment will be paid alongside the final allocation in July 2025 and so should be included in the debtor/creditor calculation.

The journal details are also on the spreadsheet to provide assistance with posting. Please ensure the creditors or debtors list is updated with this posting. This posting must be made by Tuesday 25 March.

After Tuesday 25 March no activity should take place on FMS in period 12. This includes bank reconciliations, cheque runs, BACS payments etc.

5. BACS Reconciliation

It is essential that all BACS transactions are reconciled by Tuesday 25 March as outstanding BACS files will not be transferred to the new financial year.

6. Period 12 Trial Balance

A period 12 Trial Balance in Excel format should be submitted to the Schools Finance team by 10am on Wednesday 26 March. Do not run a VAT submittal.

7. Debtors and Creditors List

A creditors list and a debtors list **or nil returns** must be emailed to Schools Finance by Wednesday 26 March. Please ensure the guidance to filling in the forms is read before they are completed to ensure they are submitted correctly.

Totals on the debtors and creditors lists must match the totals on DR01 and CR01 on the final TB. A copy of the form, all evidence and workings must be submitted to schools finance in anticipation of requests from the auditors. Where estimates have been used, evidence to support these are required.

8. Payroll Information

All schools must complete their payroll information for the Officers Remuneration note by Monday 31 March and email both the form to schools finance.

Previously we have also asked schools to complete the FTE staff analysis sheet, for the external auditors to audit schools payroll. However we had new auditors for the 2023/24 year end, who took a different approach to auditing payroll. We are waiting for the auditors to confirm their requirements for the 2024/25 year end and will communicate this to you as soon as possible.

9. SFVS Returns

All maintained schools are required to complete an SFVS return and email the completed form to Schools Finance no later than Monday 31 March (it can be sent in before if ready). There is no need to send the accompanying evidence. This is a statutory government requirement and MKCC are required to complete a DfE return with details of schools not submitting their SFVS on time. The SFVS information can be found [here](#).

The link above also contains the Related Party Transactions template, this must be completed by all schools or a nil return submitted if appropriate.

A question in section E of the checklist asks if the school leadership has considered the results of the DfE benchmarking tools. A link is included for the Financial Benchmarking and Insights Tool [Home - Financial Benchmarking and Insights Tool - GOV.UK](#)

10. Close Period 12

A final period 12 Trial Balance in Excel format should be submitted to the Schools Finance team on Wednesday 2 April.

Period 12 should be closed (by completing a preliminary close) as a priority on Tuesday 1 April.

The period 12 signed VAT submittal should be sent to Schools Finance on Wednesday 2 April, to allow the reimbursement to be made by Tuesday 15 April.

11. Three Way Reconciliation and Unreconciled Transaction Reports

A final Three Way Reconciliation (3WR) must be completed and emailed to Schools Finance by Wednesday 23 April. Schools Finance require both the Excel version with all tabs and a pdf of the front page signed and authorised. The template is on the LMS website.

The reconciliation should be completed based on the P12 Trial Balance, P12 monitoring report and the bank statement up to the 31st March. Schools should contact Schools Finance if they need a copy bank statement to help with this task. If a third party completes this reconciliation for you, please ensure you pass on your information as soon as possible to enable them to return the completed template to you in good time for you to meet the deadline. Reconciliations using a bank balance earlier than 31st March will not be accepted.

12. Unspent Balances Form

An unspent balances form must be emailed to Schools Finance by Friday 4 April. This form will be available on the website. Calculation guidelines to help calculate the unspent balances are on the same file and if used, the balances will pull through to the unspent balances tab.

B01 – Committed revenue balance

Committed amounts will be where a school has entered into a contract or raised a purchase order but the goods or services have not been received by 31st March, unspent voluntary funds and earmarked public funds. Deficit balances should also be included in B01 as spent money is already committed.

B02 - Uncommitted revenue balance

This is the remaining revenue balance which has not been committed.

Balances will be confirmed back to schools by Friday 25 April. Schools will be advised when they can run the final close on FMS and this should not take place until notification is received.

13. Additional Information

Payment of Invoices

It is important that all goods and services received prior to 31 March 2025 are charged to the 2024/2025 financial year. Therefore, it is essential that all invoices are obtained from suppliers, including MKCC, for those goods and services received to ensure the cost is allocated to the correct financial year.

Please ensure prompt payment of these invoices to reduce the number of debtors and creditors on the school's and the Council's accounts.

Payment from Local Bank Accounts.

- All transactions and payments dated 25 March 2025 or before should be recorded in 2024/25 on your local system, and should be included on your returns.
- Debtors & Creditors should be included on your period 12 return. Further details are in the sections above.

Bank Interest

If your bank account is within the pooled bank arrangements, bank interest will be credited to your bank account by 31st March 2025. It is unlikely the amounts will be known when FMS closes on 25 March – if schools wish to accrue an amount for this interest, they can.

Payroll Expenditure

Please include on your creditors list any employee-related expenditure e.g. supply teacher claims or overtime, for work undertaken in March or before which will not be paid until after 31 March 2025.

Devolved Formula Capital

Schools are reminded the maximum amount of Devolved Formula Capital (DFC) funding that can be carried forward at 31st March 2025 is the sum of their 2023/2024 and 2024/2025 allocations, unless the Local Authority has authorised the carry forward of earlier years allocations to go towards funding a larger approved scheme.

Any unspent funding from the 2022/2023 allocation may be recouped by the Department for Education (DfE). If a school has unspent DFC which must be returned to the DfE it should appear on the creditors list. The Local Authority will check the carried forward balances in school returns to ensure compliance with DfE conditions of grant.

Schools must ensure that only unspent Devolved Formula Capital balances appear in B03 and that any other unspent capital funding appears in B05

ITSS Helpsheet

For schools purchasing the MKCC ITSS service, a Helpsheet will be sent under separate cover to assist with the year-end process.

Final Balances

Final closing balances will be confirmed to schools by Friday 25 April.

The year end closure timetable and all other templates and guidance can be found on the LMS website using this link:

<https://www.milton-keynes.gov.uk/schools-and-lifelong-learning/information-schools/local-management-schools-lms/reporting>

All submissions should be sent to:

schoolsfinance@milton-keynes.gov.uk



Milton Keynes

City Council