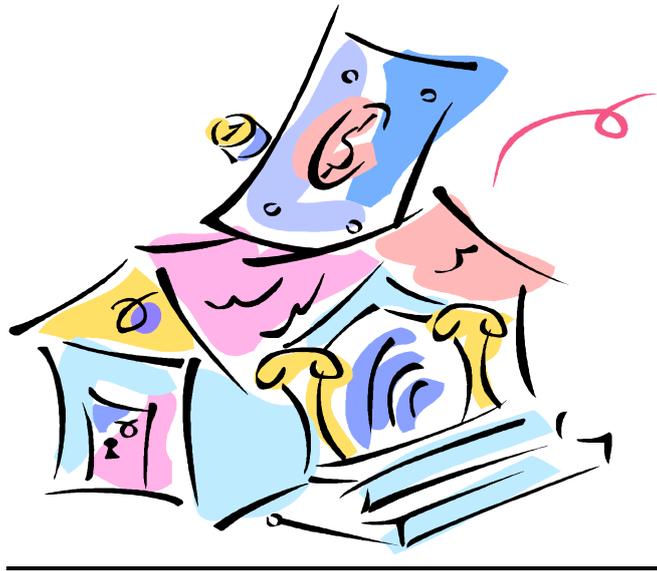# RM Finance

Closing down the 2016/2017 financial year and starting the 2017/2018 financial year

Information provided by the FMS Team

Helpline 01609 798838

fms.team@northyorks.gov.uk

BAFS Closedown

February

- Reconcile Bank Statement to 28th February and produce VAT claim to 28th February and submit via Anycomms. Deadline date for electronic submission is 08/03/2016. (Period 12 VAT runs from 1st March to 31st March and will be submitted 'on paper').

March

- Print off any un-reconciled bank transactions on RM Finance and check for validity – tidy up any zero transactions. (Out of date cheques from the current budget year can be reversed whilst transactions from previous budget years need an 'opposite' credit/debit transaction which can be 'paired off' with the original and reconciled).

   A list of un-reconciled transactions is obtained by:

   Transactions – Reconciliation – Bank A/C and click on the Printer icon.

- Print off all outstanding orders and check for validity.

   To obtain a list of outstanding orders:-

   Transactions - Reports - Purchase Orders - and then put a tick against Full details - Bank - Gross details - print or screen.

   If you know that some of these orders are no longer valid they should be removed.

   This is done by going to the **Amend/Process** screen then displaying the order. Select the order you wish to remove and on the next screen click the **Completions** button.

- Make sure you do not have any outdated or incorrect items on the Cheque Print Payment screen e.g. a transaction is from a previous financial year. Advice can be sought from the FMS Team help line if necessary. (01609 798838)

- Enter March Remittance and VAT reimbursement.

- Enter details from February ORACLE.

- Check for any un-reconciled ORACLE transactions

- Produce a February Monitoring Statement and when you are happy with the content run Period end (now in Period 12).

- Check that you have coded any expenditure that exceeds £5,000, and qualifies as a capital purchase, to a Capital Expenditure code. For more information see **Appendix 1**.

- If you need to move money between your Revenue Budget and your Capital Budget make the necessary internal charge. For more information see **Appendix 2.**

- Check that budget code 1313 Agency Staff does not have a balance (code no longer in use) all invoices should have been charged to budget code 1991 Temporary Agency Staff (E26)

- **Final 2016/17 Staff Absence claim** must be produced by Friday 31st March 2017. (There will be a separate claim period for the remaining days of term).

- You **can use** codes in RM Finance which you have created to suit your own purposes (e.g. Learning Resources codes etc.) rather than those on the 'official' LA coding structure but you need to be aware that they won't be recognised by the central ORACLE system and your 'individual' codes can't be used for Debtor/Creditor etc. journals.

- **Very Important** – Order a Bank Statement to the end of the financial year, if you don't have access to on-line statements. Ideally the Bank Statement should also show 1st April to ensure all transactions to the end of March were processed by the Bank – however this year the 1st April is a Saturday. You will need to receive your bank statement as soon as possible to enable you to meet the very tight closedown timetable. If the Bank sends a statement **not** showing the beginning of April please use the statement up to and including the 31st March and send in your next statement showing the start of April as soon as possible. A transaction report, available over the Bank counter is acceptable but **must** be followed up with a copy of the actual bank statement.

Reconcile Bank transactions up to (and including) 31/03/2017, do not reconcile any transactions processed after this date.

Print

- A copy of your un-reconciled Bank transactions – **check** these figures. The figures should be checked against the totals for un-presented income and un-presented expenditure on your Bank Reconciliation statement (see below). If they don't match, check your Payments screen for transactions and contact the FMS Help Line if necessary.

- A copy of your Bank Reconciliation statement (**Reporting, Custom, Bank Balance and highlight account(s)**).

- If you operate more than one BAFS account (e.g. current and deposit) you **must** send information about all accounts.

- 2 **paper** VAT Returns - one for the last VAT period (01/03/2017-31/03/2017) and one for the full year. **Please leave dates blank for the Full Year return.**

- Do **NOT** enter any Bank transactions into the 'old year' on RM Finance after producing your final Bank Reconciliation and VAT Returns

- **Produce** an **Income and Expenditure Report** for all **Bank Transactions. See Appendix 3.**
  (This report is sent via AnyComms)

- Complete and send the Debtors/Creditors/Income in Advance Forms via **Anycomms.** Please read the Integrated Finance instructions carefully.

- Return the Estimated Capital Balances pro-forma by Anycomms.

- For those returns which can't be returned via Anycomms it is strongly recommended that documents are scanned and submitted via email. **Email** is a more direct and immediate route than posted documents which pass through the central Document Management Centre. Timescales are so tight and time so precious to everyone that we would like to reduce 'chasing up' work as much as possible.

- **Scanned VAT returns for period 12 and for the full year and Bank Reconciliations should be emailed to schoolsfinanceteam@northyorks.gov.uk**

- Printed Returns (ONLY IF ABSOLUTELY NECESSARY) should be sent: FAO School Finance Team, Integrated Finance, The Village, County Hall, Northallerton, DL7 8AL

- **Deadline Dates are:**
  Secondary Schools - Wednesday 12th April 2017.
  Primary Schools - Tuesday 25th April 2017.

Take a back-up of your RM Finance on a Data Stick (or media of your choice) and keep somewhere safe.

- Bank transactions **must not** be processed or reconciled in the old financial year after the production of the final returns.

- Download the March ORACLE Prints and enter the details onto RM Finance. This could be done before or after producing your final returns and before or after running a year end on RM Finance.

Running a Year End on RM Finance

Before you run the Year End on RM Finance you **must** check the settings on the **Reporting Settings** screen within **Reporting (Custom tab).**
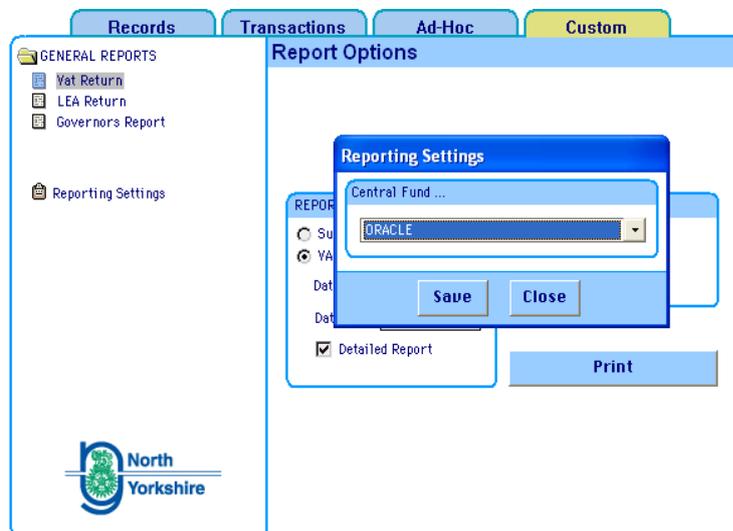
The Reporting Settings **must** show that the Central Fund is your ORACLE account. This is to ensure that your bank balance and unpresented transactions are carried forward into the new financial year and the ORACLE balance remains in the old year.

- Run the Period/Year End, it is a very similar process to the usual Period End. First you are told that any outstanding commitments will be cleared – this is ok – they are cleared out of the old year and put into the new year.

- You will then be asked about batches. The system then checks that you have reconciled your accounts. Next there is an opportunity to change your mind, followed by a check that you have taken a backup.

- You then have to give the old year a name e.g. BAFS1617 this name can then be expanded on in the archive notes. Click on save – be patient for a few moments – and now you are in the new financial year.

- **Check that the Bank Balance and un presented cheques are showing on the Bank Reconciliation screen**

- **Check that the Central (ORACLE) Account shows a zero on the Reconciliation screen.**

Final ORACLE prints

- When the Final ORACLE Prints and final BAFS Remittance have been downloaded (Tuesday 2nd May 2017) go back to 'last' year's data. To go back you need to select
  System Manager (on the top menu bar) – Last Year Data – Switch to Last Year

  Enter the information from the ORACLE prints into Period 12. (There is no Period 13 on RM Finance).

- When you have entered information from the final print you will find you cannot reconcile your total in the 'usual' way. This is because the final print contains information about your bank balance, vat returns and previous years balance (these transactions should **not** be entered).

- Print off a Budget vs. Actual vs. Committed Report.
  Records – Reports – Budget vs. Actual vs. Committed Report – Search By…. – 1000 to 9999 (this is to eliminate Remit, Vatsum and Unpresented Cheques)
  Print Report, take the tick out of the 'Show Full Detail' box, Current Budget.

- Check all budget codes are linked to a budget heading (and not 'unattached' at the top of the report).

- Check the report total agrees with the **final Summary ORACLE** print.

- Complete a **BAFS Statement of Reconciliation and Balances Control Statement**– all should show the same figure. (You may need help from your FMS Support Officer at this stage) and return by Friday 26th May 2017. Divide your year end balance between:
  BO1 Committed Revenue Balances
  BO2 Uncommitted Revenue Balances
  BO3 Devolved Formula Capital Balances
  BO5 Other Capital Balances
  BO6 Community focused school Revenue Balances

- Produce a final Out Turn Report for your Governors.

- **Take a backup of the 'completed' financial year – when you quit the current year you are offered the option of backing up 'last years data file' and keep somewhere safe.**

- Use **CFR Assistant** to send your CFR Return to the LEA (see booklet Using CFR Assistant to produce a CFR Report for the 2016/2017 financial year)

- Secondary schools and schools with high balances should submit CFR data by Friday 5th May and all returns must be received by Friday 27th May.

Summary of Actions

Action	Timescale	
VAT Return for Period 11 (sent electronically) remainder of the Year will be paper returns.	28th February 2017 (Returns can be sent via Anycomms until Wednesday 8th March 2017)	
'Tidy up' RM Finance – check for un-reconciled bank and ORACLE transactions and orders which are unlikely to go ahead	During March	
Make sure all Agency Supply is charged to code 1991and not 1313.	During Feb/March	
On RM Finance – check expenditure items classified as Capital are correctly coded and make Revenue contributions if appropriate. Check Agency Supply is linked to CFR code E26.	During Feb/March	
Budget Planning Software – check the instructions relating to year end and make sure actions are followed within the BPS software.		
Staff Absence claims submitted to FMS	31st March 2017	
Bank Rec and list of un presented items to 31/3/2016 (statement showing early April transactions)	Primary 25th April 2017 and Secondary 12th April 2017 (scanned and emailed documents preferred)	
VAT Returns for 01/03/2015 – 31/03/2015 and for the full year (blank dates)	Primary 25th April 2017 and Secondary 12th April 2017 (scanned and emailed documents preferred)	
Complete Accruals Forms and Income & Expenditure Report and return via Anycomms	Primary 25th April 2017 and Secondary 12th April 2017 (scanned and emailed documents preferred)	
Complete the predicted Capital Balance form and return by email	Primary 25th April 2017 and Secondary 12th April 2017 (via Anycomms)	
Do not enter any bank transactions onto RM Finance after you have sent off your Bank Reconciliation and VAT Returns		
Run the Year End procedures on RM Finance	When final Bank Rec, VAT Returns and Accruals forms have been completed.	
Final Year End (P13) transferred to schools – enter into the 'old year' on RM Finance.	2nd May 2017	
Final Remittance Advice, VAT Debtor, Statement of Reconciliation form received via Anycomms	2nd May 2017 Information used by school to complete the Statement of Reconciliation and to check against school year end figures. Statement of Reconciliation to be completed, signed by Head Teacher, and returned by 26th May 2017 at latest	
Produce CFR Return using CFR Assistant software – the Statement of Reconciliation, Summary ORACLE print and School figures must be in agreement	High Balances – 5th May 2017 Other schools – asap and definitely before 26th May 2017	
Produce a final year end monitoring report	To fit with date of Governors meetings	
Begin work on considering, discussing and completing the School Financial Value Standard (SFVS)	To fit with date of Governors meetings during the Summer Term	

Appendix 1

Capital Expenditure

To begin with you need to decide which expenditure should be coded to the capital section of the budget.

Expenditure of **£5,000** or more relating to the purchase or enhancement of **land, buildings, roads, drives, car parks, vehicles, plant or machinery, computer hard ware and soft ware** is **capital**.

(Projects can be **capital** even if the school isn't using Devolved Capital Grant to pay for the work).

Just to muddy the waters **some** enhancements do not qualify as capital even if they cost **more than** £5000. Examples are given below.

Activity	Capital	Revenue
Decorating (internal & external)	No	Yes
Electrical re-wiring	No	Yes
Window Replacements	Yes	No
Re-roofing	Yes	No
Upgrade of heating system	No	Yes
Replacement of heating system	Yes	No

ICT and other purchases made from Revenue funding where single purchases exceed £5,000 need to be coded against capital. You will then need to introduce an equal amount of Direct Revenue Financing.

(ICT purchases made from Devolved Capital funding should already be coded as Capital).

If a school is using **Devolved Capital Grant** then the expenditure is capital irrespective of the value of the invoice/s.

If you realise that invoices have been charged to Revenue when they should have been coded as Capital you can use the **Internal Recharge** option on RM Finance to move the expenditure from Revenue to Capital.

CFR Reporting is done at subtotal level so don't worry too much about codes within the headings.

Appendix 2

Direct Revenue Financing

There may be times when you need to 'move' money between your Revenue Expenditure (normal school budget) and Capital Income budgets. It may be that you have a devolved capital project that needs a contribution from your revenue or you may have purchased something, which costs more than five thousand pounds. To move money between Revenue expenditure and Capital income on RM Finance you need to use the **Internal Charges** option within **Transactions**.

The example above shows a £16,130 contribution from the revenue expenditure budget to the capital income budget. (The transaction looks the 'wrong way round' because we are manipulating the Internal Charge facility to achieve our transfer of monies. The **Budget to transfer from** is 9613 and the **Budget to transfer to** is 4449).

The invoice for the goods should be charged against a Capital Expenditure code.

Appendix 3

RM Finance – Income & Expenditure Report (Bank Transactions)

To produce a report showing 'local Bank' transactions please follow the instructions below:

1. In RM Finance and **Reporting** click on the Transactions tab. (All transactions will be already selected)
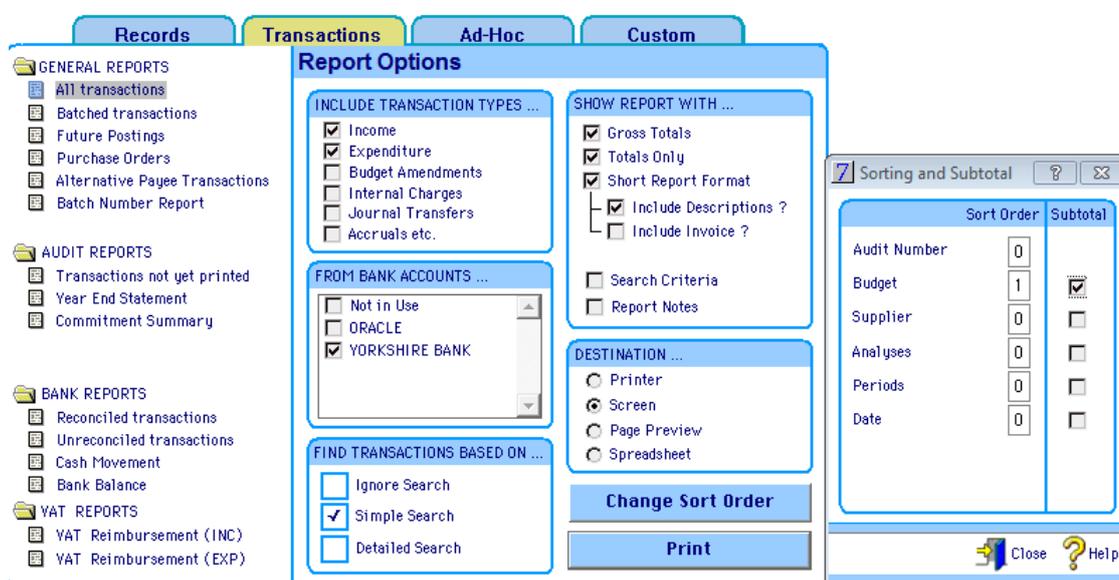

2. Put ticks into Income and Expenditure only

3. Select your local bank account (include second bank account and petty cash if in use).

4. Click on Simple Search and in the Budgets fields type 1000-9999 (Close)

5. Tick Gross Totals, Totals Only, Short Report Format and Include Descriptions.

6. Click on Change Sort Order and complete as per the example above (1 in Budget and a tick in Subtotal (Close).

7. Send the Report to screen (Print) – check the report is in budget code order and shows summary totals. Close the report.

8. This time send the report to Destination – Spread sheet (Print).

9. You will be asked where you want to save the file as the file is going to be sent via Anycomms please save to C:\Finance\Outbox

The file name should be Exxxx (an E prefixing the school DfE number) (space) local (space) income(space) Financial year e.g. 1617 **(see example below)**

(E before DfE number and space between local, income and 1617) – see below
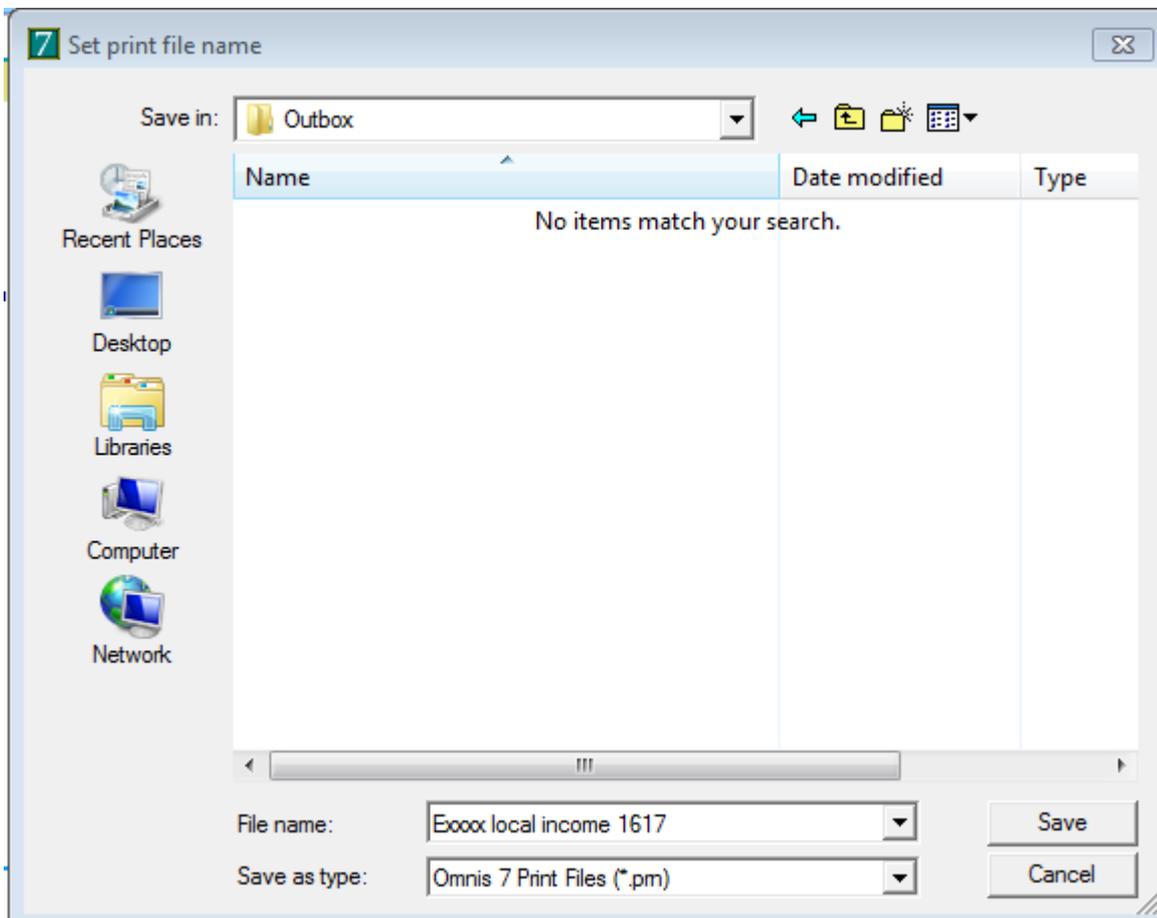
School Fund Closedown using RM Finance

IMPORTANT INFORMATION

The Year End procedures on RM Finance enable schools to automatically carry forward their Bank balance and any unpresented cheques or income. This means that certain procedures must be followed at the end of the School Fund Year.

The Year end procedures on RM Finance result in you having two options available to you at the end of the School Fund Year. Please decide which option best suits your situation and follow the instructions for that option.

Option 1 - choose Option 1 if you wish to automatically carry forward the balance on your Bank Account(s) and any unpresented cheques and you do not want balances on any individual accounts i.e. you start the new year with a 'clean sheet'.

Option 2 - choose Option 2 if you wish to automatically carry forward the balance on your Bank Account(s) and any unpresented cheques and you then want to enter balances on some or all of your individual accounts.

Option 1

1. Check the Bank Details setting :
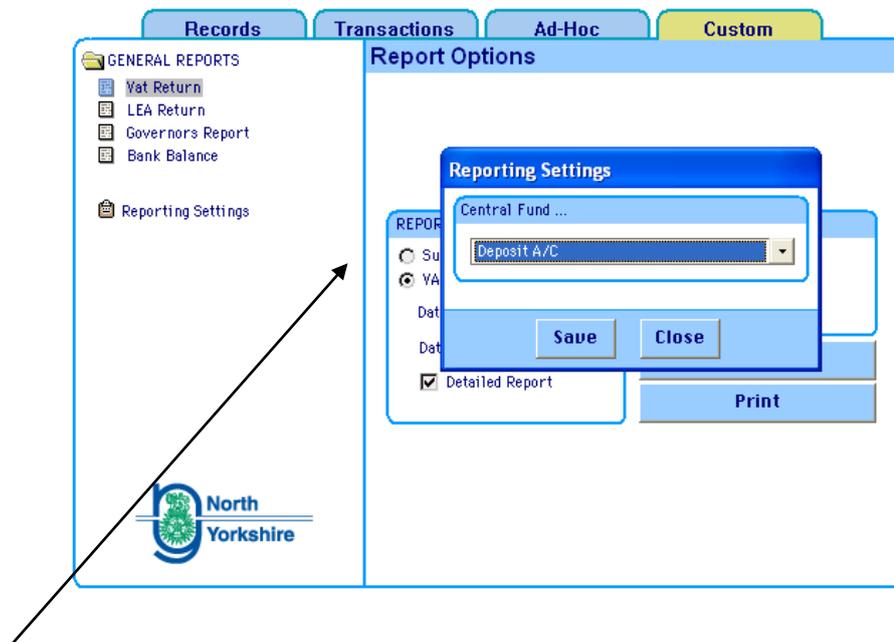
   Reporting - Custom – Reporting Settings

The Account showing should be your Bank Account 2 details (see picture above). This is because you do **not** want the account balance to be carried forward into the new year. Balances on all of the other Bank Accounts will be carried forward. ~(You could 'select' an account which is not used e.g. Petty Cash - unfortunately one account must be marked).

 Balances and unpresented cheques on the unmarked accounts will be carried forward into the new year.

2. Print a Bank Reconciliation Statement for all of your Bank Accounts.

   Transactions, Reporting, Bank Balance and select Bank Account.

   Repeat for each of the Bank Accounts/Petty Cash options which have been used during the financial year.

   Print off a list of your unpresented cheques.

   Transactions, Reconciliation, Bank Account, click on printer icon

3. Transfering Funds (<u>only necessary if you have two bank accounts</u>)

If you are currently using **Bank Account 2** (e.g. for a deposit account) you need to **transfer** the funds out of **Bank Account 2** into **Bank Account 1**. The Account needs to be 'empty' before you carry out the Year end procedures.

Select **Transactions, Transfers**

and transfer the total amount from Bank Account 2 to Bank Account 1.

4. Budget Reports

Print off a Budget Analysis for each budget account. **Records - Sheaf of Papers - Budget Analysis, Print transactions for this period only YES.**

You will need these reports to prepare your end of year statement.

Take a Backup and keep it somewhere safe.

---

5. Period End

Run several **Period Ends** until you are told you are about to enter a new year. Run the year end.

In the New Year Data File

❑ **Budget Accounts**

❑ All of your **Budget Accounts** will be taken forward. Decide whether you want to remove some redundant accounts. To remove budget accounts:

❑ **Records - Budget Accounts - then find and delete as appropriate.**

❑ **Bank Transfer**

❑ If you transferred any funds from Bank Account 2 into Bank Account 1 transfer them back to the relevant account.

❑ **Bank Reconciliation**

❑ Reconcile each of your accounts so that they show the same figures as they did in the old year i.e. reconcile the transactions relating to the transfer of funds between accounts.

❑ **Run a Period End**

❑ When you are happy that the bank balances are correct and reconciled you should run a **Period End (now in Period 2).** There is no need to run another period end until you reach the end of your accounting year.

Option 2

1. Check the Bank Details setting:
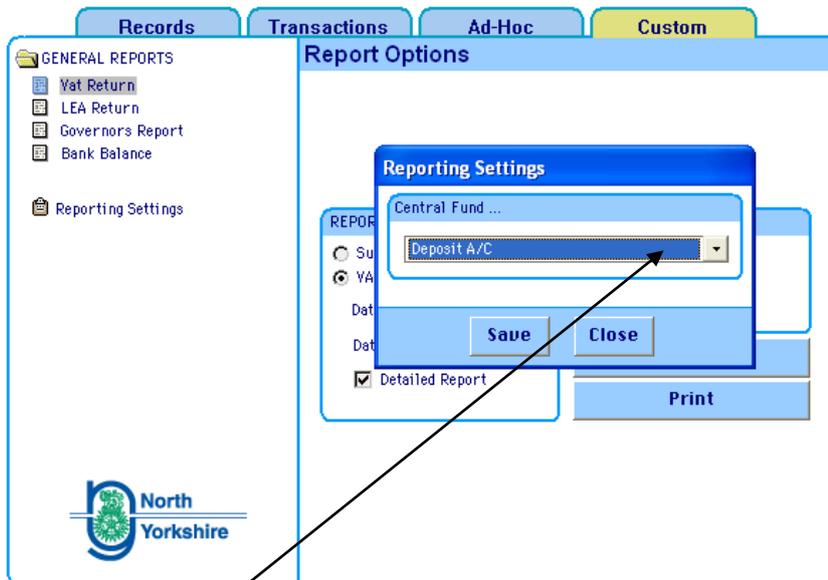
Reporting - Custom – Reporting Settings

The Account showing should be your Bank Account 2 details (see picture above). This is because you do **not** want the account balance to be carried forward into the new year. Balances on all of the other Bank Accounts will be carried forward. ~(You could 'select' an account which is not used e.g. Petty Cash - unfortunately one account must be marked).

 Balances and unpresented cheques on the unmarked accounts will be carried forward into the new year.

2. Print a Bank Reconciliation Statement for all of your Bank Accounts.

Transactions, Reports (Sheaf of Papers), Bank Balance and select Bank Account.

Repeat for each of the Bank Accounts/Petty Cash options which have been used during the financial year.

Print off a list of your unpresented cheques.

Transactions, Reconciliation, Bank Account, click on printer icon

3. Transferring Funds (only necessary if you have two bank accounts)

If you are currently using **Bank Account 2** (e.g. for a deposit account) you need to **transfer** the funds out of **Bank Account 2** into **Bank Account 1**. The Account needs to be 'empty' before you carry out the Year end procedures.

Select **Transactions, Transfers**

 and transfer the total amount from Bank Account 2 to Bank Account 1.

4. Budget Reports

Print off a list of the closing balances. **Records - Sheaf of Papers - List of Budget Accounts.**

Print off a Budget Analysis for each budget account. **Records – Reports (Sheaf of Papers) - Budget Analysis, Print transactions for this period only YES.**

You will need these reports to prepare your end of year statement.

Take a Backup and keep it somewhere safe.

---

5. Period End

Run several **Period Ends** until you are told you are about to enter a new year. Run the year end.

In the New Year Data File

❑ **Budget Accounts**

All of your **Budget Accounts** will be taken forward. Decide whether you want to remove some redundant accounts. To remove budget accounts :

Records - Budget Accounts - then find and delete as appropriate.

❑ **Bank Transfer**

If you transferred any funds from Bank Account 2 into Bank Account 1 transfer them back to the relevant account.

❑ **Bank Reconciliation**

Reconcile each of your accounts so that they show the same figures as they did in the old year i.e. reconcile the transactions relating to the transfer of funds between accounts.

❑ **Entering Balances**

The total value of balances on individual accounts will equate to the total of Bank Account 1, Bank Account 2 and Petty Cash. All of your moneys and unpresented cheques have been carried forward but there are no amounts showing against individual accounts.

Begin by setting up a new Budget Account called Balances – if you haven't already got one.

Records - Budget Account - New and set up an account called Balances (you do not need a Budget Heading).

From the list of balances you printed out in the old year (step 5) you will see you have some positive and some negative balances.

See overleaf for examples

Positive Balances

Use **Internal Charges** to transfer moneys between the Particular code where you want a positive balance and the Balances Account. (As this isn't the primary function of Internal Charge follow the pictures)!!!!

Negative Balances
Use **Internal Charges** to transfer moneys between the Balances code and the particular code where you want a negative balance.

❑ **Check the Balances**
Make sure the value showing against the Balances account is the same as the total of the individual balances. Check that you have the correct balances against each account.

Records - Sheaf of Papers - List of Budget Accounts.

❑ **Run a Period End**
When you are happy that the individual account balances are correct you should run a **Period End.** There is no need to run another period end until you reach the end of your accounting year.

Example of a completed Receipts and Payments document

	Receipts	Payments
Baking	65.50	5.36
Car Boot Sale	985.58	
Football Club	555.55	
Paris Trip		20.45
Minibus Running Costs		25.60
Skiing Trip	850.00	1028.64
Zoo Trip	369.75	500.00
	-------------	-------------
	2826.38	1580.05
Excess of Receipts over Payments		1246.33
	-------------	---------------
	2826.38	2826.38
	========	=========

> Take this information from the individual sheets that you have printed off in the old year.

> This could be a positive or negative figure and represents the value of the transactions processed during the year. The same figure appears on the bottom of the BUDVACCVCOMM report taken off RM Finance

Balance Sheet

School Fund as at	Current	1154.50
(start of school fund year)	less unpresented	150.00
		1004.50
	Deposit	7000.00

		8004.50
Excess of Receipts over Payments		1246.33

		9250.83

> From above

Represented by :		
Current A/C	2557.84	
less unpresented cheques	-970.45	
plus unpresented income	+621.05	

		2208.44
Deposit A/C		7000.00
Petty Cash		42.39

		9250.83

> Bank balances as at 31 March