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9<sup>th</sup> February 2026

**To: Secondary, Primary, Nursery & Special Headteachers and PRS for information**  
**To: Bursars/Admin Officers in Secondary, Primary, Nursery & Special Schools and PRS for action**

Dear Colleague,

## **BANK ACCOUNTS FOR SCHOOLS (BAFS) – NURSERY, PRIMARY, SECONDARY & SPECIAL SCHOOLS CLOSING OF ACCOUNTS FOR THE 2025-26 FINANCIAL YEAR**

The purpose of this letter and guidance is to set out the procedures to be followed by schools during the closedown of the Council's financial accounts for 2025-26.

Once again, the timetable for the Closedown of the Accounts will be a challenge with the requirement to have a draft set of accounts for 2025-26 prepared for the Council by 31<sup>st</sup> May in order to have the accounts approved by September this year.

It is very important that all schools ensure that expenditure and income is allocated to the correct financial year and that the accounts are closed down after taking into account all relevant transactions.

For the reasons above, schools will need to submit their Closedown Journals (for items such as creditors, debtors, income in advance and payments in advance) using reasonable estimates where actuals are not known. Once these closedown journals are input into the Council's Oracle Financials System, a reversal entry will be automatically made in the new 2026-27 financial year and will appear on the first Oracle Print for period 1 for 2026-27. **The deadline for receipt of Closedown Journals is Wednesday 22<sup>nd</sup> April 2026.**

Once the local authority has received details of final transactions and copies of relevant statements from schools, final BAFS Remittance and School ORACLE prints for 2025-26 will be issued in late April (See Section 3 of the Guidance) to enable schools to close their accounts.

With the help of this procedure guidance the vast majority of schools should be able to complete the closedown exercise. However, if there are any queries, please do not hesitate to contact the Schools Finance Team. Whilst the Finance Enquiry Service is usually the route for all queries into Finance, for any queries specifically related to closedown, please contact the Schools Finance Team at [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk) or contact the following individuals listed below direct.

**Accruals and BAFS  
queries  
(Bank Rec/VAT)**

Email: [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk)

**SEN Accounting**

Melissa Hird  
Wendy Brown

Email: [Melissa.Hird@northyorks.gov.uk](mailto:Melissa.Hird@northyorks.gov.uk)  
[wendy.brown@northyorks.gov.uk](mailto:wendy.brown@northyorks.gov.uk)

**School Capital**

Angela Carney

Email: [Angela.Carney@northyorks.gov.uk](mailto:Angela.Carney@northyorks.gov.uk)

**FMS Team Helpline**

Email: [fmshelpline@northyorks.gov.uk](mailto:fmshelpline@northyorks.gov.uk)

Thank you in advance for your support in ensuring successful achievement of the closedown deadlines.

Yours sincerely,

**SALLY DUNN**

Head of Finance – Schools, Early Years & High Needs

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# 1. Accrual Journals

## Types of accruals and when to use them:

- **Creditor Provision**

**Definition:** an accounting provision put into the old year accounts i.e., 2025-26 to cover expenditure on goods and services received by 31 March 2026 and relating to the 2025-26 financial year but where the invoice has either not been received or paid by 31 March 2026.

**The Effect of Completing a Creditor Journal:** a debit will be made in the **old** financial year, i.e., 2025-26, and will show on the final Oracle financial print of the year. A reversal of the debit is automatically made in the **new** financial year, i.e., 2026-27, and a credit will show on the first (Period 1) Oracle financial print of that year. This credit will cancel the actual charge when the invoice is paid later in the new 2026-27 financial year.

Creditor Journals should be completed for:

- **Yorkshire Purchasing Organisation:** (YPO) invoices where a school pays by Direct Debit for goods received before 31 March 2026 and where payment is not made until after that date.
- **Monthly supply claims** for February to be paid in March 2026 that had missed the payroll deadline plus any March claims. Both will be charged direct to 2025-26; and
- **Monthly overtime claims** for March to be paid in April 2026.
- **Salary costing errors** that have not been identified, resolved and corrected by period 12, which have resulted in an employee being paid correctly, but the costs have not been charged to your school Oracle Code.

Weekly paid employee payroll costs covering up to and including 31 March 2026 will automatically be costed to 2025-26, therefore no creditor provision is required.

Creditor Journals **should not** be completed for:

- **Spring Term 2026 Meals** – all charges will be made in periods 12 and 13 of 2025-26; and
- **Adjustments to Early Years Funding for Spring 2026 actual numbers** - to be adjusted in period 12 of 2025-26.

**Capital** (subjective codes starting 96xx) – please refer to Section 5 for advice on what can and cannot be included on a journal.

- **Income in Advance**

**Definition:** a creditor provision adjustment in the old financial year 2025-26, to adjust for income received in advance and credited to a School Oracle Code, for an activity that is not due to take place until the **new** financial year, i.e., parental contributions towards education visits.

**The effect of completing an Income in Advance journal:** a debit will be made in the **old** 2025-26 financial year and will show on the final Oracle financial print of the year. A reversal of the

debit will show in the new financial year as a credit on the first Oracle financial print of 2026-27 to credit the income into the new financial year.

There are various restrictions in place on how unspent income at financial year-end is to be classified (as income in advance), and these restrictions particularly relate to grant income. Please refer to specific guidance on some of the main grant's schools received and the suitable year-end treatment of unspent year-end income.

Income in Advance Journals should/can be completed for:

- Income from trips/visits to be undertaken after 31st March 2026, including income received on line.
- DfE 16-19 Bursary funds which cover the academic year 1 August 2025 – 31 July 2026.
- Other unspent grant funding (as at 31 March 2026) that has conditions attached to it, which is for a specific purpose and timeframe, and therefore failure to meet these conditions may result in the grant being clawed back.

Income in Advance Journals **should not** be completed for:

- Pupil Premium
- Additional Grant – Primary School PE & Sports Funding – covers the financial year only. The allocation processed in 2025-26 covers the period September 2025 to March 2026 and does not necessarily need to be spent by 31 March 2026, but any unspent grant will form part of your year-end balance and cannot be treated as income in advance.

## • Debtor Provision

**Definition:** an accounting adjustment to represent income due to the school for the 2025-26 financial year, for goods and services provided to customers in the 2025-26 financial year, but which has either not been received or banked by 31 March 2026.

**The effect of completing a Debtor Journal** a credit will be made in the **old** 2025-26 financial year that will show on the final Oracle financial print of 2025-26. A reversal of the credit will show in the **new** financial year as a debit on the first Oracle financial print of 2026-27 and will be off set by the eventual credit when the income is finally received, collected and banked in 2026-27.

Debtor Journals should be completed for:

- **Cash banked** after 31st March 2026 but relating to 2025-26.
- **Online Income** – for schools using ParentPay the settlement statement for the period 25<sup>th</sup> to 31<sup>st</sup> March 2026 will not be credited to your school bank account until after 31st March 2026.
- **Staff Absence Scheme** claims that have missed the deadline (see below); and
- **Salary costing error** that have not been corrected by period 12, for example an employee has been overpaid but the credit has not been refunded to your school – you have submitted a query, but it has not yet been resolved.
- **Sales invoices** raised on Arbor Finance that have not been paid, these will automatically roll forward on Arbor Finance into the new year, but as they haven't been paid, they will not show in the current financial years figures and will therefore need to be added to your debtors.

Debtor Journals **should not** be completed for:

- **Cash banked** on or before 31 March 2026, which should be costed to 2025-26 and will show on the final bank statement;
- **Staff Absence Scheme** – all claims received by 31 March 2026 will be processed in period 13; and
- **Adjustments to Early Years Funding for Spring 2026 actual numbers** - to be made in period 12 of 2025-26.
- **Primary School PE & Sports Funding** – the April 2026 payment will include 6 months' allocation covering March to August 2026; the School Finance team will process a journal to include the March portion in the 2025-26 accounts so that schools do not have to make individual journal adjustments.

**RPA Insurance Debtor Adjustments:** Please ensure you put the income credit adjustment to subjective code 9155 when completing and submitting a journal request.

- **Payments in Advance**

**Definition:** a debtor provision adjustment made in the old financial year to cover expenditure incurred in that year, for a service or goods which will not be delivered until the new financial year, for example, payment of examination fees that relate to exams to be taken in the summer term of the new financial year.

The effect of completing a Payment in Advance journal will be that a credit will be made in the old financial year, i.e., 2025-26, that will show on the final Oracle financial print so negating the debit made in the old financial year accounts. A reversal of the credit will show in the new financial year as a debit on the first Oracle financial print of 2026-27, therefore aligning the charge and the activity in the correct financial year.

Examples which Payment in Advance Journals **can** be used for:

- Examination fees for summer 2026;
- School trips and visits to be held after 1 April 2026;
- Training courses; and
- Photocopier and telephone line rentals.

- **Revenue Contributions to Capital**

**Definition:** – The partial or full funding of a capital scheme or project from revenue funds to meet any capital funding gaps.

A school can transfer revenue funding to meet capital expenditure but cannot transfer capital funding to meet revenue expenditure.

Therefore, it is advisable to wait until the end of a capital scheme or the end of the financial year to make the adjustment or, if a scheme is running over two financial years, do so at the end of the first financial year and then at the end of the scheme.

**The charge in the revenue accounts (E30) must equal the credit in the capital accounts (CI04)**

**The Processing of Creditor, Debtor, Income in Advance and Payments in Advance Journals (Accruals):**

- Individual school accrual journals will be sent electronically to schools via Anycomms+ by Monday 23<sup>rd</sup> February 2026 along with instructions on how to download them. There are separate forms available for each type of journal accrual.

Below is an example of the journal layout:

Mandatory						Mandatory
Oracle Subjective	£ Value	Alternate RM Code	Supplier Name Only	Inv Number	Brief Description	
(a)	(b)	(c)	(d)	(e)	(f)	
3000	150.00		abc	1001	Filing Cabinets Delivered March 2020	

The narrative you will see on your ORACLE print will be the information in columns (a), (d) and (f). See example below:

Creditor - Subj 3000 - abc - Filing Cabinets delivered March 2020

If you use a different code in Arbor Finance, you can complete column (c), and this will show in your ORACLE narrative. This additional information should be helpful when the reversal journals are processed in period 1 in the new financial year.

- Schools are requested to provide clear and concise text on all journals submitted to ensure that Finance are able to meet the deadline dates for the transfer of the final prints and BAFS remittance advice to schools.** The following are examples of good practice:
    - Creditor: "Spring 26 Vocational Courses – xyz College"
    - Income in Advance: "Trip Income Summer 26"
    - Debtor: "Spring 26 Educ Visit Fees O/S "
    - Payments in Advance: "Summer 26 Exam Fees – Pd 11"
  - Please can schools endeavour to complete their accrual form before the final deadline date in the closedown timetable.** This will help ensure that forms are processed in a timely and efficient manner.
  - Completed school accrual journals need to be submitted via email to: [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk) by Wednesday 22<sup>nd</sup> April 2026. Please use the following format in the "Subject" line: [DfE number & School name]: 2025-26 Accruals Forms**
- Schools CAN send more than one accrual form through for processing HOWEVER please can you ensure that you DO NOT include items submitted on a previous form to avoid duplication of transactions.**
- Please do not leave blank lines between the journal entries, your journal will be rejected if blank lines are present between the entries.**
- Schools are required to submit a **NIL RETURN** if accruals are not required by email to [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk). This will ensure that Finance do not inadvertently miss any returns for processing. Please use the following format in the "Subject" line:

**[DfE number & School name]: 2025-26 Accruals Forms NIL RETURN**

If Schools do not submit an Accruals Form or a NIL RETURN by the final deadline date in the closedown timetable, a NIL RETURN will be assumed. The Schools Team will not contact Schools to query whether an Accruals Form should have been submitted.

## 2. Bank Statements and VAT Returns

### Bank Reconciliation Statement

Limited information is held on central Council financial systems on the current bank balances held by individual schools, due to the fact that all North Yorkshire schools operate their own bank accounts. To ensure that all the financial accounts of the Council can be closed down at the end of the financial year in accordance with Government Regulations it is imperative that the correct bank reconciliation statement as at the 31 March 2026 is sent into Finance for your school.

Last year there was an aggregated value of approximately £24.8m in school bank accounts, therefore it is vital we can demonstrate the information we record in the LA accounts is accurate as at the end of 31 March 2026.

Throughout the year schools have submitted electronic bank reconciliations on a monthly basis. **The final return of the year as at 31 March 2026 will need to be emailed to [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk)**

**You should ensure that the final bank reconciliation, bank statement and a list of unpresented cheques for your school is emailed to the school finance team by 22<sup>nd</sup> April 2026 for each of the accounts you use for Local Authority funding. Each school is required to reconcile to the closing bank account balance at the end of the financial year (31<sup>st</sup> March 2026), with an accompanying figure provided by each school for the opening bank balance for the new financial year (1<sup>st</sup> April 2026).**

**Schools that are operating a petty cash account need to submit the Arbor Finance bank reconciliation return for the petty cash account if operated on Arbor Finance or, if manual records are kept, email the balance amount on the petty cash account as at 31<sup>st</sup> March 2026 to schools finance team by 22<sup>nd</sup> April 2026. Emails need to be sent to [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk)**

To ensure that our records are correct and that we do not overlook any monies you might hold in deposit accounts **we request all schools that are operating a second bank account or are operating a Petty Cash account for LA funding provide us with its details by Friday 27<sup>th</sup> February 2026.** This does not include dinner money accounts where the balance gets transferred to your BAFS account or School Fund account.

Bank Statements need to show both 31 March 2026 and 1 April 2026 to meet audit requirements.

**Please ensure that there are no transactions dated April 2026 on your unpresented cheques list.** Accounting and audit regulations do not permit transactions after 31.03.2026 to be included in your reconciled bank balance.



## VAT Returns

Throughout the year you will have submitted electronic VAT returns. **For your Period 12 VAT Return and the Full Year VAT Return that are required to close school accounts you will need to send these from your Arbor Finance on line system using the school finance email account [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk).**

**The deadline for sending VAT Returns, covering periods 1 to 11 is Friday 6<sup>th</sup> March 2026. Returns should not be sent after this date;** any school needing to submit a VAT Return for periods 1 -11 after this date must send an emailed copy of the report produced in Arbor Finance online using the email above.

**Period 12 and the Full Year VAT Returns must not be sent via Anycomms+ and be sent instead as an email to the Schools Finance Team from your Arbor Finance online system.** A Full Year VAT Return is required to ensure that there is no funding due to the school from previous VAT Returns. **For audit purposes we also require a full year detailed VAT report to be sent to us, see below screenshot from Arbor Finance**

Option	
Report to print	<input type="radio"/> VAT Summary
	<input checked="" type="radio"/> VAT transactions
	Date from
	Date to
	<input checked="" type="checkbox"/> Detailed report

**The Full Year VAT Returns (summary and detailed reports) should be completed leaving the dates blank. This will help to eliminate a lot of the variances that have previously arisen at year end due to the input of incorrect dates during the year.**

Emails should be sent with the school name, DfE number and marked Year-End Returns in the subject line. If you are an FMS officer for multiple schools or a federation with multiple schools operating separate budgets, please can you ensure that you send a separate email for each school.

### 3. TIMETABLE FOR 2025-26

The timetable lists the information required from schools and the latest dates and methods by which that information should be submitted to the Finance Team. Included in the “Information Required” column are contact details for the lead officer as well as reference to where further information can be found within this guidance. A check list is provided at the end of this section.

Information Required	Deadline Date
Accrual templates to be issued to schools via Anycomms+.	<b>Monday 23<sup>rd</sup> February 2026</b>
Details of any 2 <sup>nd</sup> bank accounts and Petty Cash Accounts operated in 2025-26 to be provided to the Schools Finance Team via email  Email: <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	<b>Friday 27<sup>th</sup> February 2026</b>
Copies of Exceptional Rent expenditure invoices to be sent to the Schools Finance Team  Email: <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	<b>Friday 27<sup>th</sup> February 2026</b>
Final date for VAT returns for periods 1 – 11 (sent electronically) via Anycomms+  Reference: Section 2 – VAT Returns Contact: <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	<b>Friday 6<sup>th</sup> March 2026</b>  <b>VAT returns must not be sent via Anycomms+ after this date as they cannot be processed</b>
All Schools Estimated Capital Balance as at 31.03.26 pro-forma submitted via email  Reference: Section 5 – Capital Accounting & Funding Contributions Email: <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	<b>To be received via email by:</b>  <b>Friday 6<sup>th</sup> March 2026</b>
Staff Absence claims to be submitted to FMS to ensure payment in 2025-26  Reference: Section 1 – Accruals Journals Email: <a href="mailto:staff.absence@northyorks.gov.uk">staff.absence@northyorks.gov.uk</a>	<b>To be received by FMS by:</b>  <b>Friday 27<sup>th</sup> March 2026</b>
End of 2025-26 Financial Year	<b>Tuesday 31<sup>st</sup> March 2026</b>

Information Required	Deadline Date
<p>Bank Reconciliation Statement to 31st March 2026 and including 1 April 2026 to be sent together with a copy of all relevant bank statements (<b>including deposit and petty cash accounts</b>) and a list of un-presented cheques as at 31 March 2026.</p> <p><b>Please note each school is required to reconcile to the closing bank account balance at the end of 31 March 2026, with an accompanying figure provided by each school for the opening bank balance on 1<sup>st</sup> April 2026.</b></p> <p>Reference: Section 2 – Bank Statements &amp; VAT Returns  <b>Email:</b> <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a></p>	<p><b>To be received by Schools Finance Team by:</b></p> <p><b>All Schools: Wednesday 22<sup>nd</sup> April 2026</b></p>
<p>VAT return for March (<b>01.03.26 – 31.03.26</b>) via email</p> <p>Reference: Section 2 – VAT Returns  <b>Email:</b> <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a></p>	<p><b>To be received by Schools Finance Team by:</b></p> <p><b>All Schools: Wednesday 22<sup>nd</sup> April 2026</b></p>
<p>VAT Returns (summary report and detailed transaction report) for the <u>whole year</u> – <b>please leave dates blank in Arbor Finance</b>. Return via email.</p> <p>Reference: Section 2 – Bank Statements and VAT Returns  <b>Email:</b> <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a></p>	<p><b>To be received by Finance Schools Finance Team by:</b></p> <p><b>All Schools: Wednesday 22<sup>nd</sup> April 2026</b></p>
<p>Accruals journals from schools:</p> <ul style="list-style-type: none"> <li>- Creditor</li> <li>- Debtor</li> <li>- Income in Advance</li> <li>- Payments in Advance</li> </ul> <p>Reference: Section 1 – Accruals Journals  <b>Email:</b> <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a></p>	<p><b>To be received by Schools Finance Team by:</b></p> <p><b>All Schools: Wednesday 22<sup>nd</sup> April 2026</b></p>
<p>Local Income Report from Arbor Finance online</p> <p><b>Email:</b> <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a></p>	<p><b>All Schools: Wednesday 22<sup>nd</sup> April 2026</b></p>
<p><b>Schools Accounts will close</b></p>	<p><b>5pm on Wednesday 22<sup>nd</sup> April 2026</b></p>
<p>Final School prints for the financial year to be electronically transferred to schools</p> <p><b>Contact:</b> <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a></p>	<p><b>Friday 1<sup>st</sup> May 2026</b></p>
<p>The final BAFS Remittance for the financial year to be electronically transferred to schools by</p>	<p><b>Friday 1<sup>st</sup> May 2026</b></p>

Information Required	Deadline Date
<p>Statement of Reconciliation sent to schools for completion</p> <p>Email: <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a></p>	<p><b>Schools Finance Team send:</b>  <b>Friday 1<sup>st</sup> May 2026</b>  <b>Return by:</b>  <b>Friday 22<sup>nd</sup> May 2026</b></p>
<p>Electronic transfer of CFR data to Finance for all schools including Statement of Reconciliation</p> <p>Email: <a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a></p>	<p><b>Friday 22<sup>nd</sup> May 2026</b></p>

## Closedown of Accounts Checklist 2025-26

Activity	Submit by	Email Address (if applicable)	Deadline	Actioned/ Sent
Details of 2 <sup>nd</sup> Bank accounts and Petty Cash Accounts operated in 2025-26	Email	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	27 <sup>th</sup> February 2026	
Copies of Exceptional Rent Expenditure Invoice	Email	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	27 <sup>th</sup> February 2026	
Estimated Capital Balance as at 31 <sup>st</sup> March 2026	Email	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	6 <sup>th</sup> March 2026	
Staff Absence Claims	Staff Absence Scheme Software	<a href="mailto:staff.absence@northyorks.gov.uk">staff.absence@northyorks.gov.uk</a>	31 <sup>st</sup> March 2026	
Bank Reconciliation Statement (and bank statements/Unpresented cheque list)	Email *	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	22 <sup>nd</sup> April 2026	
Local Income Report	Email	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	22 <sup>nd</sup> April 2026	
March VAT Return	Email *	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	22 <sup>nd</sup> April 2026	
Full Year VAT Return Summary and detailed	Email *	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	22 <sup>nd</sup> April 2026	
<u>Accruals Journals:</u> Creditor Debtor Income in Advance Payment in Advance	Email	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	22 <sup>nd</sup> April 2026	
CFR Data Transfer to County Hall	Email	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	22 <sup>nd</sup> May 2026	
Statement of Reconciliation	Email	<a href="mailto:schoolsfinanceteam@northyorks.gov.uk">schoolsfinanceteam@northyorks.gov.uk</a>	22 <sup>nd</sup> May 2026	

\* Documents to be produced and saved in Arbor Finance online and emailed to [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk)

## 4. Projected year end balances for March 2026

### 1. Projected Capital Balance

There is a very short period of time between school accounts closing and the need to split school balances in the Local Authority accounts between revenue and capital. The actual split of school balances is known only when every school has completed a CFR return. We therefore have to agree a method of estimating the split of school balances.

Each year the local authority asks schools to project their capital balances at year end. These projections enable a split of school balances to be provided in the accounts with a high degree of accuracy. Each school is asked to provide their estimated capital balances on a proforma template as at 31<sup>st</sup> March 2026, by **Friday 6<sup>th</sup> March 2026**.

The template will be available to download from Anycomms+. Returns should be sent via email to [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk). Please enter "[DfE number and school name] – Capital Balance" in the subjective line.

### 2. Licensed Revenue Deficits

If a school has a revenue deficit at the end of the 2025-26 Financial Year, then this will be compared to the schools agreed recovery plan.

If no such plan is in place, the school will be asked to provide details of why the school has an unapproved revenue deficit to [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk).

# 5. Capital Accounting and Funding Contributions

## 1. Definition of Capital Expenditure

Capital expenditure is defined as any expenditure on the acquisition, creation or enhancement of fixed assets. This includes expenditure on:

- Acquisition of land and buildings
- New construction, conversion and renovation
- Vehicles, plant, furniture, equipment and machinery
- ICT hardware

Enhancement means the carrying out of works which are intended to:

- Lengthen substantially the life of the asset
- Increase substantially the open market value of the asset
- Increase substantially the extent to which the asset can be used

### De Minimis Level or Threshold

Capital assets with a value of £2k or over must be charged to capital, even if they are to be fully funded from revenue. This £2k is known as the **de minimis** level or threshold.

For example, a purchase of one computer costing £500 should be treated as revenue. However, a purchase of five computers costing £500 each or £2,500 in total should be treated as capital expenditure. If the expenditure has been charged to revenue during the financial year, it should be transferred to the relevant capital subjective at or before year end. The only exception to this rule is where the purchase is part of a larger scheme such as a room conversion or renovation.

### Devolved Formula Capital

Any item irrespective of value can be charged to Devolved Formula Capital as long as it is part of a devolved capital project that has been approved by Strategic Planning, Prevention and Commissioning.

### Leases

On 1 April 2024, a new international financial reporting rule (IFRS 16 leases) came into effect. This rule changes how local authorities record leases in the financial accounts of their maintained schools.

IFRS 16 leases end the distinction between operating and finance leases for accounting purposes. Under the Education Act 2002, all leases are now classed as borrowing and will require the Secretary of State for Education's consent.

### Leased assets that require consent

Governing bodies do not need to make a specific request for consent where a lease falls under the general consent granted by the Secretary of State for Education. The types of assets granted general consent is listed in ['The IFRS16 Maintained Schools Finance Lease Class Consent 2024'](#).

Any leased assets not included in the document will need to be submitted to the Secretary of State for Education for consent. These may include leases relating to land and buildings – [further guidance on land disposals](#) is available.

## 2. Financing of Fixed Assets from Revenue

It is possible for schools to use part of their revenue funding to help finance a capital project if, as part of the school's improvement planning, it is deemed to be a priority. If a school decides to do this, it must follow strict accounting procedures in order to comply with Consistent Financial Reporting (CFR) requirements. It is strongly recommended that the transfer of resources between revenue and capital should only take place when the amount required has been finalised as the process **cannot** be reversed under the CFR regulations.

### Direct Revenue Financing

The funding of capital expenditure from revenue resources is done by transferring a contribution from the revenue budget to the capital budget, a process which is known as "Direct Revenue Financing." The transactions required are:

DR E30 Directorate Revenue Funding of Capital Expenditure subjective **4905**  
CR CI04 Direct Revenue Financing towards other Capital Schemes subjective **9613**

## 3. School Contributions to NYC Led Schemes

Prior to any work commencing, NYC will agree the level of financial contribution to be made by the school. In the majority of cases, the amount of the contribution will be fixed at this point irrespective of the final cost of the work. However, if the school requests any "additions" to the scheme, the school will be responsible for the related costs.

The contribution will usually be collected at the start of the scheme. Larger contributions may be split over more than one year and schools should budget accordingly for this. It is extremely unlikely that a school will be required to accrue for any outstanding contributions at year end.

## 4. Capital Subjective Codes

The table below lists the subjective codes available along with a brief description as to their use:

CFR Ref	Subj. Code	Description	Details
<b>CI01</b>	<b>Capital Income</b>		
	9601	Devolved Capital Allocation	The annual grant is credited to this subjective.
	9605	Other Capital Allocations	The only income that should be included as "other capital allocations" should be NYC capital contributions towards a school capital scheme.
	9607	Approved Licensed Capital Deficit/Loan	Loans from NYC to fund a licensed deficit or specific capital schemes.
<b>CI03</b>	<b>Voluntary and Private Income</b>		
	9610	Private Income Contribution towards other Capital Schemes	The only income that should be coded here is that private funding which schools have raised to support a capital scheme, i.e., from the school's governing body/PTA or the Diocese.
<b>CI04</b>	<b>Direct Revenue Financing – see paragraph 2 above</b>		



	9613	Direct Revenue Financing towards other Capital Schemes	The amount of revenue resource applied to capital financing. It does NOT include school revenue balances not set aside for a capital project.
<b>CE01</b>	<b>Acquisition of Land and Existing Buildings</b>		
	9634	Acquisition of land and existing buildings project 1	Includes fees and charges relating to the acquisition of land or existing buildings but NOT the construction of new buildings.
<b>CE02</b>	<b>New Construction, Conversion and Renovation</b>		
	9619	New construction, conversion, and renovation	Any costs relating to a new construction, extension, conversion, or renovation, including fees but NOT costs relating to the acquisition of land and existing buildings (CE01) OR maintenance of existing facilities (revenue) OR any costs below the de minimis threshold (revenue).
	9654	Capital Maintenance	This is used for the transfer of school contributions to Capital Maintenance schemes commissioned by NYC. All contributions will have been journalled before year end and so NO accruals will be required.
	9655	NYCC Capital Project	This is used for the transfer of school contributions to capital schemes other than Capital Maintenance commissioned by NYC. All contributions will have been journalled before year end and so NO accruals will be required.
<b>CE03</b>	<b>Vehicles, Plant, Equipment and Machinery</b>		
	9624	Vehicles, Plant, Equipment and Machinery Project 1	Does NOT include capital expenditure on ICT equipment or Leases
<b>CE04</b>	<b>ICT</b>		
	9640	SICT – Connectivity	<p>Includes:</p> <ul style="list-style-type: none"> <li>• broadband, wireless networks, network switches, network cables where they are capitalised</li> <li>• telephony, ISDN, ASDL or other dedicated phone lines where they are not leased</li> <li>• phones where they are not leased</li> <li>• installation costs</li> <li>• any leases classed as capital</li> </ul> <p>Excludes:</p>

			<ul style="list-style-type: none"> <li>• leasing and maintenance costs (see E20A)</li> <li>• IT support, repair, and maintenance costs</li> <li>• mobile phones</li> </ul>
	9641	SICT - Onsite Servers	<p>Includes:</p> <p>Physical onsite servers where costs are capitalised any leases classed as capital</p> <p>Excludes:</p> <p>Maintenance costs (see E20B) cloud storage costs IT support, repair and maintenance costs</p>
	9642	SICT – Admin/ Software/Systems	<p>Includes:</p> <p>Administration and management software such as management information systems (MIS), safeguarding, finance, cashless catering, building management and payment portals operating systems and device licences, unless bundled into the cost of laptops, desktops and tablets cloud and data storage cybersecurity, filtering and monitoring if not part of any connectivity services any leases classed as capital. conversion to the cloud: hardware and the installation of hardware can be capitalised</p> <p>Excludes:</p> <p>connectivity such as broadband and telephony (see section CE04A) IT learning resources hardware IT support, repair, and maintenance costs Transfer of data to the cloud and costs of cloud storage</p>
	9643	SICT - Laptops/ Desktops/Tablets	<p>Includes:</p> <p>Laptops, desktops and tablets purchased by the school used for teaching, learning and administration operating systems and licences if bundled into the cost of devices device management tools any leases classed as capital</p>

			<p>Excludes:</p> <p>Bring your own device (BYOD) schemes where pupils and or staff are required to bring their own devices such as laptops or tablets</p> <p>any other hardware (see CE04E)</p> <p>IT support, repair, and maintenance costs</p> <p>Where a resource is used for learning and administration purposes, and where costs are material, costs or estimates of the split should be coded separately at the time of purchase.</p>
	9644	SICT - Other Hardware	<p>Includes:</p> <p>Hardware such as printers and consumables, audiovisual display screens, projectors and CCTV peripherals such as keyboards and mouses where they are not bundled into laptop, desktop and tablet costs (see CE04D)</p> <p>any leases classed as capital</p> <p>Excludes:</p> <p>Laptops, desktops, and tablets (see section CE04D)</p> <p>onsite servers (see section CE04B)</p> <p>IT support, repair, and maintenance costs</p>

To ensure the smooth processing of accruals, it would helpful if you could indicate in the text where expenditure relates to a larger or wider scheme.

## 6. Consistent Financial Reporting

### Guidance notes re submission of 2025-26 CFR return

#### *Schools holding funds on behalf of other schools*

The DfE have identified a number of schools holding funds on behalf of other schools as part of a hub or network to carry out projects and the subsequent duplicated effect this had on their individual CFR returns when publishing benchmarking data.

A consequence of the above scenario can be that published spending data for these schools appears to show them as having a higher than average spend-per-pupil.

If your school has held funds during the course of 2025-26 this will need to be reflected in your CFR return as per DfE guidance.

To do this we need you to inform us that you are a school holding funds on behalf of other schools and we will need you to identify the areas of staffing where these funds were utilised (e.g. Teaching, Advanced Teaching Assistants, Admin, Other Staffing etc.) and net off the costs against the additional funding you have received (by means of reducing your income and reducing your expenditure). Please contact the: [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk) if this is the case.

## 7. Other Information

### **Income received directly by Schools**

In the Local Authority accounts we need to show all income relating to schools and this includes income that schools have collected directly into their BAFS account. To enable a total figure to be calculated for income that schools have received this way, a report will be generated from Arbor Finance on line. Please refer to the Arbor Finance closedown guidance provided by the FMS team for Instructions on how to produce the report and submit via email.

### **Rent Funding**

Rent Funding is dealt with as an exceptional funding formula factor. However, the local authority is now required by the DfE to verify the exceptional rent expenditure. Copies of exceptional rent invoices are required to be submitted to school's finance team by email [schoolsfinanceteam@northyorks.gov.uk](mailto:schoolsfinanceteam@northyorks.gov.uk) by 27th February 2026 in order for this verification to be undertaken. Schools will be informed of any associated funding adjustments determined from the information submitted.

The invoice should contain detailed information to support the exceptional rent expenditure and agrees to the rental agreement. Please be aware that any additional expenditure would need to be met from the school budget.

### **Rates Funding**

The Department for Education (DfE) pay NNDR bills directly to billing authorities on behalf of local authority maintained schools. Any adjustments to actuals for 2025-26 will be processed in period 12. There will be an adjustment to both the charge (2300) and delegated budget (9010).

### **School Meal Accounting Arrangements**

#### **School Meal Charges**

For schools that are part of the County Contract for Catering the following charges are anticipated to take place as follows: -

Spring Term 2026	–	February 2026 charges to be processed in Period 12
		March 2026 charges to be processed in Period 13

## **Universal Infant Free School Meals Funding**

The universal infant free school meal funding you have received to date is a DfE provisional allocation to schools based on number of eligible meals taken in 2024/25 and could be subject to change. The DfE will calculate final allocations in June 2026.

Funding processed to date covers Autumn 25 and Spring 26 terms but is based on the total number of eligible meals taken in 2024/25 multiplied by £2.61 x 190days x seven- twelfths. Funding will be adjusted in June 2026 to reflect your actual take up in October 2025 and January 2026, as per school census.

You may wish to put in an accrual (either a list debtor or a list creditor) for this adjustment if you think it will be material.

Example of how to calculate the accrual:

Provisional Allocation (based on 2024/25 meals taken) - 90 eligible pupils x £2.61 x 190 school meals x seven twelfths = £26,035

Final Allocation (based on October 2025 and January 2026 census) – 80 eligible pupils x £2.61 x 190 school meals x seven twelfths = £23,142

Creditor needed as actual eligible pupil numbers have reduced (£26,035 - £23,142) = £2,893

The DfE guidance on Universal infant free school meals can be found:

[Universal infant free school meals \(UIFSM\): conditions of grant 2025 to 2026 - GOV.UK](#)

Please see section 2 for funding rates and allocations.

## **Part Time Teaching Staff Undertaking Supply Work**

In the instance where a part time teacher employed by your school provides supply cover in your school and this is claimed via additional hours rather than through a separate supply contract, the costs will be charged to the E01 Teaching Staff budget codes (gross pay (1400), national insurance (1404) and superannuation (1405)). In order to comply with Consistent Financial Reporting requirements, the supply costs will need to be transferred by an internal transfer in Arbor Finance from the E01 Teaching Staff budget to E02 Supply Teaching Staff (1300 – gross pay, 1304 – national insurance and 1305 national insurance) where the supply cover relates to:

- curriculum release
- long-term absence
- sickness absence
- training absence