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19.0 SCHOOL ACCOUNTING

19.1 Introduction

19.1.1 This chapter outlines a number of administrative procedures that fall under the heading of “School Accounting”. They are:

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19.2 Monthly Financial Prints

19.2.1 On a monthly basis, schools are provided with a suite of financial prints that have been generated from the County Council’s computerised accounting system, Oracle Financials. This suite contains three reports that detail the income and expenditure transactions that have been charged against the school budget in the previous month. Each report is summarised below.

19.2.2 Summary Print

This print summarises the income and expenditure totals for the financial year to date for each subjective code. The figures are rounded to the nearest £.

The data provided in the report includes:

- Subjective code - The four digit subjective code and its description
- Balance B/fwd - The income and/or expenditure to date brought forward from the previous periods
- Expenditure in Period - The income and/or expenditure transactions during the period to which the print relates
- Balance C/fwd - A total of the B/fwd and Expenditure in period column. This will be the Balance B/fwd in the next monthly print.

19.2.3 Detail Print

This print lists “in detail” all of the transactions processed during the period to which the print relates. The figures are shown to the penny.

The data provided in the report includes:

- Source - Denotes what source or system the transaction has originated from and provides the subjective

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	codes used
Number	- For internal use only
Name	- A summary or description of the subjective code on which the transaction appears
Invoice Number	- This enables you to “tie up” the transactions on the prints to your own records. Please note that the invoice number may also relate to invoices paid centrally but costed to your school. You should always quote this number when making enquiries.
Description	- Additional useful information to support the identification of transactions
Amount	- The charge made against the school budget. If a credit, the amount will be preceded with a minus sign. ALL amounts exclude VAT as this is dealt with centrally.

19.2.4 Payroll Print

This print gives more specific information in relation to salary costs for the particular period in question. It includes the employee’s name, payroll reference number and post number. Data is split by subjective code to show gross pay, National Insurance and superannuation charges/credits to the school.

19.2.5 How to Access your School’s Prints

19.2.6 Each month schools can download their Oracle and BAFS prints via “Anycomms”. Schools are provided with a timetable at the start of the financial year that details when the prints will be available for download.

19.2.7 What follows are the instructions you will need in order to access your electronic prints on a monthly basis:

i. To download Oracle prints and BAFS remits

Double click on the **Transfer Finance** icon that you should have set up on your desktop. Your files should start downloading automatically.

ii. Accessing downloaded files

a) Press the **Start** button; right click; click on **Explore**.

Select the **C:\Finance\Inbox**

There should be two folders: **ORACLE PRINT** and **BAFS REMITS**

(Please note that schools may access their C:\ by a different method – any way is acceptable)

b) To access the Oracle Prints, open the **ORACLE PRINT** folder and you will see all the downloaded files.

The format of the file description includes a four digit number at the end; this relates to the month and year to which the print relates, i.e. 0419 denotes the April 2019 prints.

The files will be in **pdf (Acrobat Reader) format**.

pdf files – Summary, detail and Payroll prints To open these files you must have Acrobat reader on the computer you are using. Double click on the file to open. Once open, it can be printed.

iii. BAFS Remits

These can be found in the C:\Finance\Inbox\BAFS REMIT folder. To open these, double click on the files and print. These are also pdf files that will require Acrobat reader in order to open.

- iv. Once the files have been downloaded, you can either rename and save them in a more convenient folder or retain hard copies and delete the electronic version. The latter approach is acceptable to Veritau, the internal auditor.
- v. Prints should be kept in school for two years for audit purposes.
- vi. Any queries resulting from transactions shown on the prints should be addressed by means of an online **schools finance query e-form** (see Section 19.4).

19.3 Journals

- 19.3.1 Occasionally, income or expenditure may be charged to the wrong subjective code. To correct a miss-posting within a school's delegated budget, a journal should be completed.
- 19.3.2 Schools **cannot** transfer income and expenditure from one school to another. An invoice is required to charge another school.
- 19.3.3 Schools are required to complete a **schools finance journal e-form** online which can be found on the cyps.info website at <http://cyps.northyorks.gov.uk/forms-and-stationery>

19.4 Financial Enquiry Service (FES) queries

- 19.4.1 Once the monthly Oracle prints have been downloaded and analysed in schools, there may be a number of queries relating to specific transactions that require some clarification.
- 19.4.2 Schools are required to complete a **schools finance query e-form** online. This can be found at <http://cyps.northyorks.gov.uk/finance-enquiry-service-fes> As all FES queries are recorded it can be ensured that none are overlooked or missed. Patterns in relation to particular query subjects can be identified and addressed on behalf of all schools.
- 19.4.3 When responding to a query, officers in the Financial Enquiry Service rely heavily on the information provided to them on the note itself. Therefore, the FES e-enquiry form contains a number of mandatory fields which must be completed before it can be submitted. The more accurate and complete the information provided the easier and quicker it is to respond.

19.5 Financial Stationery

19.5.1 Ordering financial stationery

School stationery requisition forms can be found on the cyps.info site at:

<http://cyps.northyorks.gov.uk/forms-and-stationery>

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- 19.5.2 Stationery orders are despatched fortnightly via the internal schools mail system also known as the “Red Bag”. Schools are reminded to ensure that they do not let their stock get too low before reordering so that they run out completely.
- 19.5.3 There are no hard and fast rules as to how much, how often and when you order stationery. You should bear in mind, however, that all financial stationery should be **securely** stored within the school office.
- 19.5.4 The number of order pads in use should be kept to a minimum and access should be restricted to staff authorised to prepare orders as an audit requirement.

19.6 Consistent Financial Reporting (CFR)

- 19.6.1 Consistent Financial Reporting (CFR) is a national framework for schools. All Local Authority maintained schools are required to complete and submit a CFR return at the end of each financial year in accordance with the LA’s Closure of School Accounts¹ timetable (see 19.7). Individual school’s CFR returns are collated by Children and Young People’s Service Finance and submitted to the DfE to their deadlines.
- 19.6.2 It aims to streamline administration in schools, collect only essential data, automate the collection of this data and improve the value of information for schools (via spending comparisons, Value for Money and promotion of self-management).
- 19.6.3 The return details the levels of income, expenditure and balances (surplus / deficit) that have occurred during that financial year, reported against nationally agreed headings for the different categories stated above.
- 19.6.4 The latest CFR Coding list can be found at:
<http://cyps.northyorks.gov.uk/cfr-code-list>
Schools may find it useful to print the current CFR coding list and include it as an appendix to this chapter.
- 19.6.5 It is important that all schools adhere to this list of subjective codes to ensure that all financial information is reported accurately and efficiently.

19.7 Year End Closure of Accounts

- 19.7.1 Guidance on the procedures for the closing down of the school accounts at year end is published annually at the start of the Spring term on the cyps.info website.
- 19.7.2 This guidance is available on the link below:
<http://cyps.northyorks.gov.uk/closedown-accounts>

19.8 Closing Schools Accounting Arrangements

This section is currently under review. It will be added once the review is completed.

¹ The Closure of School Accounts timetable and guidance is published annually in the spring term and highlights any changes year on year that schools need to be aware of when closing their school accounts.

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19.9 Records Retention and Destruction Schedule for Schools

19.9.1 Information relating to retention and destruction schedule for schools can be found at the Information and Records Management Society website. This toolkit is designed as guidance only. <https://irms.org.uk/page/SchoolsToolkit>

19.10 Community Focussed Provision

19.10.1 Background

Section 27 of Education Act 2002 gives governing bodies a power to ‘provide any facilities or services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated’.

Schools are expected to respond to the needs of, and work closely with, their community to plan services. Schools are not expected to establish new services where there is no evidence of demand or need and they may not necessarily deliver the activities or services themselves. As a result of this extended services will look very different from school to school across North Yorkshire.

Schools can collaborate with other schools and/ or with voluntary and private sector organisations to develop and provide access to extended services on various sites. By coordinating effort and pooling resources, schools within a cluster can increase the chances of services being provided on a sustainable basis, can signpost to existing services and not duplicate resource.

Schools need to have regard for IR35 which affects all contractors and individuals delivering a service within school both during and outside of school hours who do not meet the HMRC’s definition of self-employment. Guidance on this can be found on HMRC website.

<https://www.gov.uk/guidance/prepare-for-changes-to-the-off-payroll-working-rules-ir35>

19.10.2 Methods of delivery

There are two methods of delivery, both of which have different VAT treatment:

- i. The school delivers the activity itself; and
- ii. The school acts in collaboration with other partners/agencies.

Direct delivery - schools opting to be direct deliverers will need to take complete control of the service offered, including the employment of staff and the charging of fees. Ultimately, the governing body is responsible for the activity.

The staff employed to operate the provision will be employees of the County Council and therefore LA pay scales and terms and conditions will apply. Staffing costs will be charged to the corresponding employee subjective code and will show on the monthly Oracle payroll print.

Delivering with Third Parties – the third party will employ the staff and all staffing issues are the sole responsibility of the third party.

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19.10.3 Accounting

Accounting for the treatment of VAT on community focussed activities can be found in Chapter 16 (s.16.10) of this manual.

Where the service is provided by a third party, the school is still required to recover costs by means of a letting arrangement.

The LMS Scheme (Chapter 2) details the treatment of income and surpluses in section 12.

12.7.1 Schools shall retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LA or some other person.

12.7.2 The school can carry such retained net income from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the LA at the end of each financial year, transfer all or part of it to the school's budget share balance.

19.10.4 Consistent Financial Reporting (CFR)

- I15 Pupil focused extended school funding and/or grants
 - Includes other sources of funding to be attributed to pupil focused extended school activities
 - Excludes any charges for these activities that should be captured in income from facilities and services (I08) and any funding which is to be attributed to a community focused activity (see I16)

- I16 Community focused school funding and/or grants
 - Includes sources of funding to be attributed to community focused activities
 - Excludes and funding that is to be attributed to pupil focused extended school activity (see I15)

- I17 Community focused school facilities income
 - Captures income from community focused school facilities and activities
 - Since 2011/12 schools have been able to spend their delegated budget on community facilities. They may receive income from facilities or activities where they have directly employed someone or directly contracted a third party to facilitate a community focused facility or activity rather than a pupil focused one (i.e. the facility/activity is primarily for the benefit of the wider community rather than their pupils). This income should be recorded under I17. The income they receive from facilities which are primarily for the benefit of their pupils and the school but are leased out to third parties not directly employed or contracted by the school should be coded under I08.

- E31 Community focused school staff
 - Includes all staff employed directly by the school for community focused activities
 - Includes adult education tutors where the school manages the Adult education programme

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- Excludes the cost of school staff who are not directly employed by the school for community focused activities (see E01 – E07)

E32 Community focused school costs

- Includes all running costs associated with a community focused school activity or facility including recruitment costs, materials, etc
- Excludes any community focused running costs that are incurred as a result of a third party delivering the activity who has not been directly employed or contracted by the school (to be recorded under E01 – E30)

19.11 School trips

19.11.1 Completing grant applications

Schools may sometimes apply for grant funding to fund trips and visits, either for pupils accompanied by staff or for adults who may be travelling on school business. The conditions of the grants need to be complied with, and guidance relating to grants can be found in Chapter 15 - Earmarked Funds and in the LMS Financial Procedure Rules

See Chapter 15: Earmarked Funds for information on the Grants Procedures.

19.11.2 Organisation, planning, risk management and booking

All school trips should be entered into EVOLVE. This ensures all aspects relating to the school meeting their obligations are met. Examples of this include;

- Permissions
- Vaccination requirements
- Insurance

Schools need to ensure that they have in place;

- Finance – and if a grant has been applied for that all conditions have been complied with
- Legal Protection
- Travel Plans
- Emergency contacts and contingency plans
- Risk assessments

19.11.3 Finance

Detailed accounts of any spending, with invoices and receipts, need to be retained by the school. Income should also be separately identifiable.

19.11.4 Purchasing Cards

It is recommended that schools apply for a Company Barclaycard (also known as a purchasing card) if the trip involves travelling abroad. Cards are registered to named individuals. The benefits of using a Company Barclaycard are such that it is accepted in most

countries and staff do not have to incur expenditure and then claim it back as it is charged direct to the school budget that receives the grant.

If the school does already have a Company Barclaycard, albeit in the name of another member of staff, the school can apply for an additional card in the name of the person travelling. If not, the school will have to apply for a new card. This process can take up to four weeks so schools are advised to apply well in advance of the date of travel particularly if the intention is to use the card to book flights.

If more than one member of staff within your school or cluster is travelling, it may be advisable to nominate one person to hold a Barclaycard in their name on behalf of all those who are travelling.

It may be possible for a card user to be set up for a short period of time, for example for the duration of the visit.

Further information can be found in the North Yorkshire County Council Purchasing Card Manual (Schools Version) which can be found on the cypsinfo site.

<https://cyps.northyorks.gov.uk/procurement-best-value>

19.11.5 Audit Requirements

It is good practice for the budget holder/lead school to produce a budget plan from the outset.

Detailed accounts of any spending, evidenced by invoices and receipts, need to be kept by the budget holder/lead school whether a Company Barclaycard is used or not.

If expenditure is met from individuals' or other schools' own bank accounts, claims should be submitted along with receipts etc to the budget holder/lead school.

It is recognised that it may be difficult to obtain receipts in some countries. As such a log of all expenditure for which there is no receipted evidence should be maintained. However, every attempt should be made to obtain receipts where at all possible for all items of expenditure.

If the grant funding does not cover all costs then additional funding can be provided by the schools involved, through fund-raising or from personal contributions from those involved.

Any budget allocated to administration can be spent on venue costs for training/meetings, buying in expertise from the Local Authority, i.e. for staff training, support with grant applications, developing joint curriculum projects, or providing essential resources that would enhance the visit, i.e. artefacts, cameras. This budget could also be spent on buying in additional administration time to organise travel and make bookings.

19.11.6 Insurance

Any trip made by officers of the LA or teachers and where they are not accompanying pupils is classed as business travel is covered under the Department for Education's Risk Protection Arrangement (RPA) for the following:

- The Employers liability section will provide indemnity to the school to the extent that the school is legally liable to pay compensation or damages to an injured employee whilst on the business of the school anywhere in the world but only in respect of temporary visits (COVID permitting).

- The Third Party Public Liability section will provide indemnity to the school to the extent that the school (or the employee whilst acting on behalf of the school) is legally liable to pay compensation or damages to an injured third party or damage to third party property whilst on business of the school anywhere in the world but only in respect of temporary visits (COVID permitting).
- UK Travel Section in respect of:
 1. A school trip, excursion or work experience placement which is related to education; authorised by the school and involves travel outside of the school boundaries, or
 2. A trip by any Employee or Governor in connection with school business; authorised by the school and involves travel outside of the school boundaries.
- The personal accident section 9 provides compensation for accidental bodily injury to Employees, governors, trustees, volunteers and pupils of the school whilst on the business of the school in the UK payable in the event of Accidental Death, Permanent Total Disablement or Loss of Limb or Eye.
- Overseas Travel Section in respect of:
 1. A school trip, excursion or work experience placement which is related to education; authorised by the school and involves travel outside of the school boundaries, or
 2. A trip by any Employee or Governor in connection with the school business; authorised by the school and involves travel outside of the school boundaries.
- The personal accident Expense cover under the Overseas travel section provides compensation for accidental bodily injury to Employees, governors, trustees, volunteers and pupils of the school whilst on the business of the school payable in the event of Accidental Death, Permanent Total Disablement or Loss of Limb or Eye.

As with all business travel and school trips Risk Assessments will need to be undertaken recorded and adhered to especially in light of the COVID pandemic. Please also refer to the membership rules and the COVID 19 FAQ's which are available via the claims portal at www.rpaclaimforms.co.uk.

RPA cover is subject to Members adhering to the following conditions when booking educational trips and visits

- Members must always adhere to DfE and wider United Kingdom government guidance relative to travel and booking educational visits.
- Where possible, Members must book the educational visit through a tour operator or travel agent and where appropriate ensure that the tour operator or travel agent with whom the educational visit is being booked is ABTA bonded.
- Where possible, Members must ensure that the tour operator or travel agent with whom the educational visit is being booked will offer deferment of the educational visit in the event of cancellation due to COVID-19.
- All educational visits must be conducted in line with relevant COVID-19 secure guidelines and regulations in place at that time.

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- Members must undertake full and thorough risk assessments in relation to all educational visits and ensure that any public health advice, such as hygiene and ventilation requirements, is included as part of that risk assessment.
- Claims must be submitted and handled as set out in the RPA welcome pack and the Claims Guidelines section of the Rules. Members must contact the RPA claims handlers prior to cancelling or curtailing a trip.
- Trips overseas must only be booked if at the time of booking the destination country is not a red list country.
- Trips overseas must only be booked if at the time of booking the destination country does not have any restrictions applicable to the entry of travellers from the UK.
- Members must refer to the RPA Membership Rules to understand the extent of cover that will be provided by the RPA for educational visits.

Cover is subject to the Definitions, Extensions, Exclusions and Conditions of the Membership Rules.

However, if additional Travel insurance is required please inform the Insurance and Risk Management Section of the full details of the trip as least four weeks before the trip is due to commence. The following details are required:

- i. Name of employees attending the trip
- ii. Names of the School / Establishment
- iii. Dates of travel
- iv. Destination
- v. Details of the itinerary

The necessary Liability and Travel insurances will then be put in place and the participants on the trip will be provided with details of the County Council's Travel Insurance Policy which includes the Insurer's emergency contact details.

Insurers of both policies would expect that full risk assessments are undertaken and this would include checking and monitoring the British Foreign and Commonwealth Office in respect of traveling in particular countries. In addition, insurers need to need aware of any activities involving manual labour, i.e. digging wells or any other onerous activities.

19.11.7 Key areas for consideration

- Health (vaccination requirements)
- Visas (you may need an official letter of invitation)
- Finance – including complying with any grant conditions
- Insurance
- Legal protection
- Travel plans
- Cultural protocols
- Emergency contacts and contingency plans
- Risk assessments

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19.11.8 Useful contact details

- Insurance and Risk Management Section insurance@northyorks.gov.uk
- North Yorkshire County Council Purchasing Card Manual (Schools Version):
<https://cyps.northyorks.gov.uk/procurement-best-value>