

SIMS

FMS – Academy End Of Year

Course Guide

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Where appropriate for data entry purposes, the graphics used in this document match the training data recommended for use on the course. Where the graphic is an example of what might be expected when using certain areas of the software, the training data may not be an exact match.

Revision History

Version	Change Description	Date
6.204 – 11.1	Login Credentials Updated	17/08/2022
6.210 – 12.0	Updated to new year	04/05/2023
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FMS – Academy End of Year

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I – Introduction

Introduction

This course will cover the areas of FMS that are needed for the smooth closure of accounts. It is essential, before undertaking any year end processes in FMS, as an academy, that you read and understand all necessary guidance from the Department for Education (DfE) and accountants and auditors. The course will cover the following areas:

- creating the new financial year
- modifying the chart of accounts
- end of year system check and transaction processing
- new year budget
- end of year reports
- preliminary close downs
- end of year adjustments
- final closure of the accounts.
- ESFA mapping and ESFA reports

Specific advice will not be given on accounting practice as each academy may have different policies. Any accounting assumptions made in this course are for training purposes only. If you are in doubt of any of your own academy policies, then seek advice from your accountants.

Course Objectives

- Create the new financial year.
- Prepare the academy's accounts for preliminary closure.
- Identify closing/opening balances for the academy.
- Deal with end of year adjustments.
- Finalise the academy accounts.
- Have an awareness of any new features in FMS relevant to academies.

Overview

This course covers the year end procedures necessary in FMS specifically for academies.

Although this course takes users through all the processes that need to be undertaken at end of year, it is unlikely on a live system that a formal final closedown of FMS accounts would take place before the end of the Autumn term/early Spring term of the following year and certainly not before accounts have been finalised by accountants and audited.

Before the year end, there are a number of areas that need consideration to assist with the smooth closure of the accounts. These include:

- orders and commitments
- invoices and credit notes
- reconciliation
- petty cash, income and journals
- retained earnings, balances and carry forward figures
- assets and depreciation
- the new year chart of accounts
- year end balances.

Course Requirements

This course is intended for staff responsible for financial procedures in academies only.

This course uses English Waters Edge Academy End of Year data. The data can be located on Service now.

The system date must be set after **10.00am on 18th August 2023**.

Dates will need to be changed for the course to be completed. Guidance will be given at appropriate points.

Note for the Trainers

You will need to load EngWE_FMS End of year dataset dated 18th August 2023, to complete the activities in the booklet.

Log into FMS using the following details:

- **User ID = User1**
- **Password = Training01!**

01 – New Year Creation

Chapter Introduction

This chapter covers the creation of a new financial year, including the setting up of the new salary and VAT periods where applicable.

Step by Step – Creating a New Financial Year

A new financial year is required. Before commencing the process, it is advisable to create a backup of FMS.

1. Select **Tools | FMS Transactions Backup** and click **Yes** to start the backup.

Once complete, a message will be received which will advise you that the backup is complete and provide the name of the backup file. This file will be located on the SQL Server machine that FMS is installed on.

2. Select **Tools | Define Financial Years | Define/Edit Years** to display the **Define Years** screen.

Year	State	Periods	Lowest Open	Archived
	Started	12	1	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No

Period	Start Date	Name	Status
1	Sep	Open	
2	Oct	Open	
3	Nov	Open	
4	Dec	Open	
5	Jan	Open	
6	Feb	Open	
7	Mar	Open	
8	Apr	Open	
9	May	Open	
10	Jun	Open	

3. Edit the current financial year by clicking **Edit** at the side of the screen.



Edit

The screen shown below will be displayed:

4. If **Asset Management** is activated ensure that the fixed assets cost centre has been assigned. A fixed assets cost centre is required as part of the asset management setup. See KB0037181 ERW.pdf Chapter 04, for more details on how to setup and manage Assets and Depreciation in FMS.
5. Click **Save**.
6. Add the new financial year by clicking **+ (Add)** at the side of the screen.



+ (Add)

The screen shown will be displayed:

7. Input the following:

- Year description: Insert a **4-digit** year code for the new year (following the pattern of previous years, this is for training purposes; a different description may be required).
- Number of periods: **12**.
- Select **Calendar Month**.
- Next year begins: **01/09/2023**

NOTE: If your previous financial year has more than twelve periods (for example, due to becoming an academy, the first financial year may have up to eighteen monthly periods), the number of periods must be changed to twelve. If this is not done the system will attempt to create a new financial year with the number of periods originally selected for the previous year.

Staff members have the choice of:

- check spending against C.C
- order book open (staff members may wish to close the order book in the old year now)
- order book open – restricted users
- record deliveries
- copy service term mappings (if applicable)
- copy fixed assets cost centre (depreciation is set as Yearly or Periodic), if applicable

8. Click **Save**.

Wait a few seconds while the structure is copied to the new financial year.

The following screen will be displayed. The year will be visible but will be in a state of Not started. When the year is in this state, modifications to the structure, cost centre allocations, salary projections and salary calculations can be completed. No financial transactions can be undertaken.

Year	State	Periods	Lowest Open	Archived
	Not started	12	1	No
	Started	12	1	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No

Open Year Preliminary Close Final Close

Period	Start Date	Name	Status
1	Sep	Open	
2	Oct	Open	
3	Nov	Open	
4	Dec	Open	
5	Jan	Open	
6	Feb	Open	
7	Mar	Open	
8	Apr	Open	
9	May	Open	
10	Jun	Open	

☐ Check Spending Against Cost Centre
☒ Order Book Open
☐ Order Book Open - Restricted Users
☐ Record Deliveries

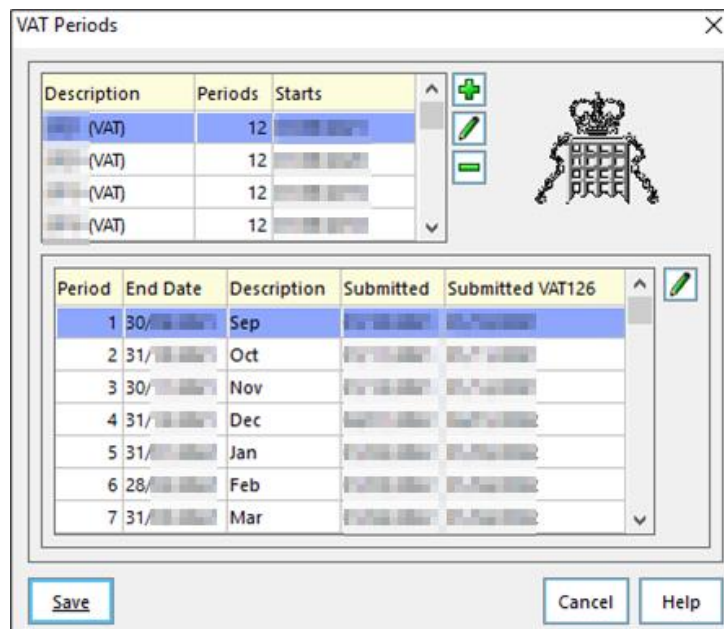
Next Year Begins:

Save Cancel Help

Step by Step – Creating VAT Periods

Ensure that in the new year periods for VAT have been defined.

1. Select **Tools | Define VAT Periods** to display the **VAT Periods** screen.

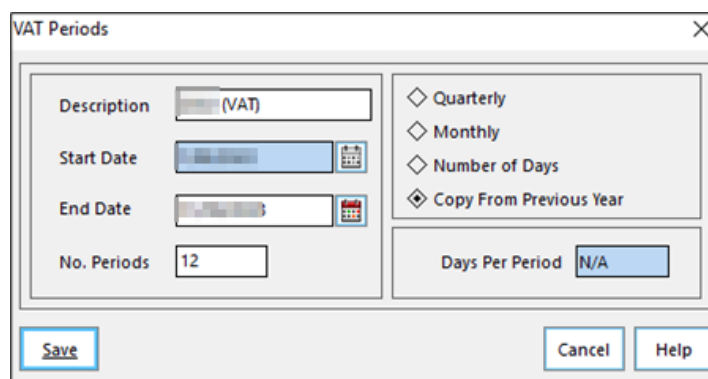


The screenshot shows the 'VAT Periods' window. It contains a table with columns: Description, Periods, and Starts. Below this is a larger table with columns: Period, End Date, Description, Submitted, and Submitted VAT126. The 'Submitted' column contains dates, and the 'Submitted VAT126' column contains VAT numbers. At the bottom are 'Save', 'Cancel', and 'Help' buttons.

Description	Periods	Starts
(VAT)	12	
(VAT)	12	
(VAT)	12	
(VAT)	12	

Period	End Date	Description	Submitted	Submitted VAT126
1	30/09/2020	Sep	30/09/2020	
2	31/10/2020	Oct		
3	30/11/2020	Nov		
4	31/12/2020	Dec		
5	31/01/2021	Jan		
6	28/02/2021	Feb		
7	31/03/2021	Mar		

2. Click the green + to add the new year's VAT periods.



The screenshot shows the 'VAT Periods' window with the configuration for a new VAT period. It includes fields for Description, Start Date, End Date, No. Periods, and Days Per Period. There are also radio buttons for Quarterly, Monthly, Number of Days, and Copy From Previous Year. The 'Copy From Previous Year' option is selected. At the bottom are 'Save', 'Cancel', and 'Help' buttons.

Description	Start Date	End Date	No. Periods	Days Per Period
(VAT)			12	N/A

By default, **Copy From Previous Year** is selected as it is assumed that the school wishes to run VAT reports off a similar time scale as the previous year. Options are available for quarterly, monthly or a set number of days. If you are uncertain of what the requirements are it is essential to seek advice from your accounts team. If you are an academy registered for VAT with HMRC, you need to submit VAT claims using the Making Tax Digital routines. A quarterly VAT MTD submission may be required instead of a monthly one.

- For the purposes of this training course select **Copy From Previous Year** and then click **Save**. The following screen will be displayed. You should review the **End Date** of each period to ensure that it falls in line with what is expected.

Description	Periods	Starts
(VAT)	12	
(VAT)	12	
(VAT)	12	
(VAT)	12	

Period	End Date	Description	Submitted	Submitted VAT126
1		Sep		
2		Oct		
3		Nov		
4		Dec		
5		Jan		
6		Feb		
7		Mar		

- Click **Save** to complete the process.

Step by Step – Creating Salary Periods

This process is only required where SIMS Personnel is linked to FMS for salary projections, calculations and payments.

- Select **Tools | Define Financial Years | Define Salary Periods**, to display the **Define Salary Periods** screen as shown below.

Month	Period Number	Period Description
Sep	1	Sep
Oct	2	Oct
Nov	3	Nov
Dec	4	Dec
Jan	5	Jan
Feb	6	Feb
Mar	7	Mar
Apr	8	Apr

- Click the green **+**, select the new **Financial Year** from the browser, and then click **Save** to create the salary periods.
- Click **Save** to complete. If links are in place, a message is displayed saying **Recalculating Commitment**.

02 – Chart of Accounts Modifications

Chapter Introduction

This chapter looks at editing the chart of accounts. This is a good opportunity for looking at the structure in place and seeing if any modifications are required. If cost centres are no longer required breaking the cost centre/ ledger code link is the first step in the process. As no transactions have been passed against them at this stage deleting the links should be possible.

The process of modifying the chart of accounts can be completed while the financial year is in a state of Not started.

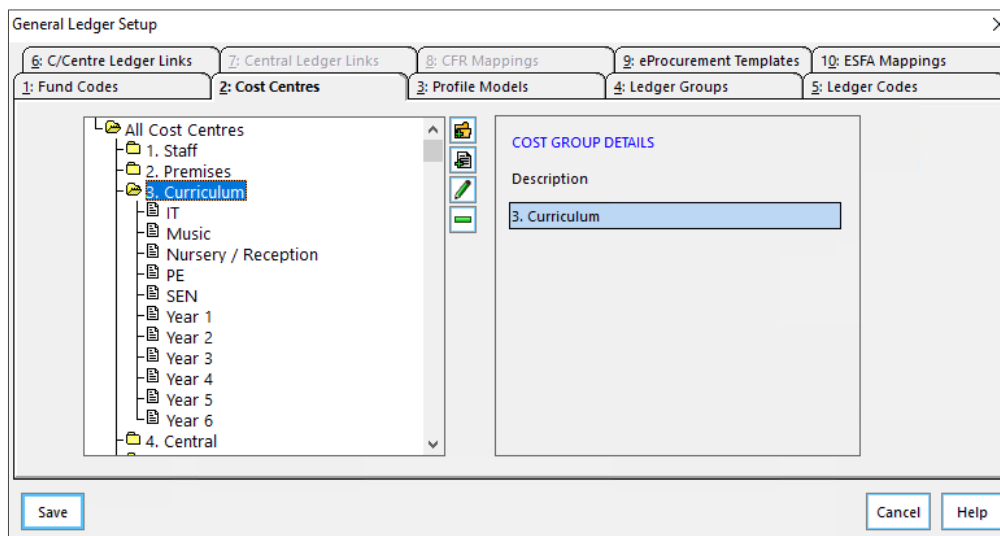
To process reversing journals, it is necessary to ensure that all the required cost centres and ledger links are in place in both financial years.

Step by Step – Creating a New Cost Centre

It has been decided that there is a need for a new cost centre to monitor spend on media studies.

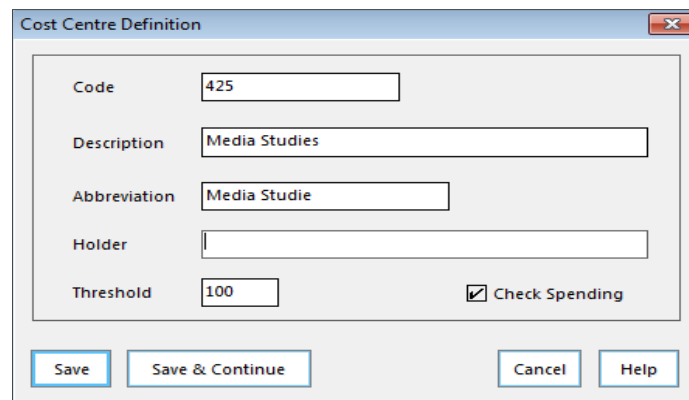
1. Select the new **Financial Year**.
2. Select **Tools | General Ledger Setup**.

Tab 2: Cost Centres



3. Expand the **Curriculum** cost centre group.
4. Click **Add Cost Centre** to add a new cost centre.

- Type **425** in the **Code** field, **Media Studies** in the **Description** field and leave the **Check Spending** check box selected.



The 'Cost Centre Definition' dialog box contains the following fields and controls:

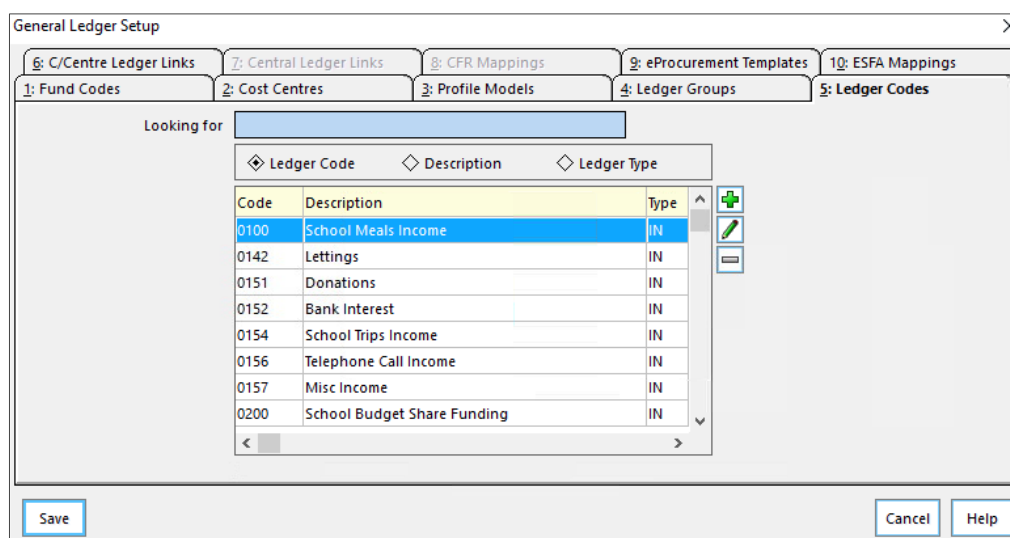
- Code:** 425
- Description:** Media Studies
- Abbreviation:** Media Studie
- Holder:** (empty field)
- Threshold:** 100
- Check Spending:** ☒
- Buttons:** Save, Save & Continue, Cancel, Help

- Click **Save** to add the cost centre.

Step by Step – Creating a New Expenditure Ledger Code

A new ledger code is required for film materials.

- Click tab **5: Ledger Codes**.



The 'General Ledger Setup' dialog box shows the '5: Ledger Codes' tab selected. The 'Looking for' field is empty. Below it is a table of existing ledger codes:

Code	Description	Type
0100	School Meals Income	IN
0142	Lettings	IN
0151	Donations	IN
0152	Bank Interest	IN
0154	School Trips Income	IN
0156	Telephone Call Income	IN
0157	Misc Income	IN
0200	School Budget Share Funding	IN

Buttons at the bottom: Save, Cancel, Help.

- Click **+** to add a new ledger code via the **Ledger Code Definition Wizard**.
- Select **Expenditure** from the **Select the type of Ledger Code to create** drop-down list and then click **Next**.
- Select **Educational Supplies & Services** in the **Ledger Group** field and then click **Next**.
- Select **Fund 01 General Annual Grant** in the **Default Fund** for this **Ledger Code** field and then click **Next**.
- Type **4015** in the new **Code** field and **Film Materials** in the **Description** field and then click **Finish**.
- Select **Curriculum** in the **Normal Profile** field and **VAT Standard Rate 20% (T)** in the **Normal VAT** field.

8. Click **Save**.

Ledger Type	Expenditure				
Code	4015				
Description	Film Materials				
Ledger Group	Educational Supplies & Services				
Short Code	4015				
Normal Profile	Curriculum				
Normal VAT	T VAT Standard Rate 20% (20.00%)				
Services	<input type="checkbox"/>				
Funds	<table border="1"> <thead> <tr> <th>Fund</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>General Annual Grant</td> </tr> </tbody> </table>	Fund	Description	01	General Annual Grant
Fund	Description				
01	General Annual Grant				

Step by Step – Creating the Cost Centre/Ledger Links

1. Click tab **6: C/Centre Ledger Links**.

2. Click **+**.

The next screen will display all the cost centres in the top left-hand side panel and the ledger codes in the bottom left-hand side panel.

3. Select the **Media Studies** cost centre at the top of the screen by either double-clicking or by clicking the **right arrow**. This will move the cost centre from the left panel to the right panel.
4. At the bottom of the screen find the **Film Materials** ledger code (**4015-01**), then double-click or click **right arrow** to move from the left panel to the right panel.

Available Cost Centres		Chosen Cost Centres	
Looking for	425	Code	Description
415	Music	425	Media Studies
416	IT		
417	PE		
420	SEN		
700	Miscellaneous Income		

Available Ledger Codes		Chosen Ledger Codes	
Looking for		Code	Description
4009-01	Newspapers/Magazines/Periodica	4015-01	Film Materials
4010-01	Stationery		
4016-01	Travel - Sports Trips		
4020-01	External Advisors Fees		
5000-01	Head Teachers Contingency		

5. Click **Create Links**; a message will display stating how many links have been created and how many already exist.
6. Click **Save** to complete the process.

NOTE: The structure of the accounts will be as per the date the new year was created. If for any reason the structure needs to be altered in the old year, the school will need to mirror this in the new year also as this does not automatically happen.

To do this select **Tools | Define Financial Years | Update Next Year's Structures**. Select tab 1: Ledger Codes, tab 2: Cost Centres and tab 3: Groups/Templates in turn, then tag the codes which need copying to the new year. Then click Copy Tagged.

Schools should also be aware that changes to the structure will affect any user defined reports and standard templates. These will need to be amended to bring them back into line with, for example, new cost centre/ledger codes. A useful report to check the structure in place is the chart of accounts listing report. To display the report, select **Reports | General Ledger Setup | Chart of Accounts Listing**.

Step by Step – Removing Cost Centres

The new financial year may be an opportunity to start the process of removing unwanted cost centres. It will not be possible to delete the cost centre until the old year has been finalised, but it may be possible to delete the links between the cost centre and the ledger codes.

1. Select **Tools | General Ledger Setup** and tab **6: C/Centre Ledger Links**. This will display a list of the existing links.
2. It may be useful to change the sequence to **Cost Centre Code** to find the appropriate cost centre. Locate the first link against that cost centre and click **Delete**.

FMS will prevent staff members from deleting links if they have been used during that financial year, or are part of a standard template, user defined report or service term mapping.

3. When all the links are removed it may be advisable to rename the cost centre description under tab **2: Cost Centres** so that it is not accidentally used.

Once the old financial year has been finalised it should then be possible to delete the cost centre. It is essential to complete this before the following financial year is created, otherwise the cost centre will be copied to the following year and exist in two open financial years.

Income Codes

Each year it is advisable to check the funding allocations of your academy. Sometimes new income codes may be required to reflect these funding streams. The following is a useful website.

<https://www.gov.uk/guidance/academies-funding-allocations>

Step by Step – Creating a New Income Ledger Code

As an example, a new ledger code is required for Example New Grant.

1. Click tab **5: Ledger Codes**.

Code	Description	Type
0100	School Meals Income	IN
0142	Lettings	IN
0151	Donations	IN
0152	Bank Interest	IN
0154	School Trips Income	IN
0156	Telephone Call Income	IN
0157	Misc Income	IN
0200	School Budget Share Funding	IN

2. Click **+** to add a new ledger code via the **Ledger Code Definition Wizard**.
3. Select **Income** from the **Select the type of Ledger Code to create** drop-down list and then click **Next**.
4. Select **Income** in the **Ledger Group** field and click **Next**.
5. Select **Fund 01 General Annual Grant** in the **Default Fund for this Ledger Code** field and click **Next**.
6. Type **0210** in the new **Code** field and **Example New Grant** in the **Description** field and then click **Finish**.
7. Select **Manual Entry** in the **Normal Profile** field and **VAT Income Zero Rated (6)** in the **Normal VAT** field.
8. Click **Save**.

Ledger Type	Income				
Code	0210				
Description	Example New Grant				
Ledger Group	Income				
Short Code	0210				
Normal Profile	Manual Entry				
Normal VAT	6 VAT Income Zero Rated (0.00%)				
Funds	<table border="1"> <thead> <tr> <th>Fund</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>General Annual Grant</td> </tr> </tbody> </table>	Fund	Description	01	General Annual Grant
Fund	Description				
01	General Annual Grant				

Step by Step – Creating the Cost Centre/Ledger Links

1. Click tab **6: C/Centre Ledger Links**.

2. Click **+**.

The next screen will display all the cost centres in the top left-hand side panel and the ledger codes in the bottom left-hand side panel.

3. Select the **School Budget Share Income (900)** cost centre at the top of the screen by either double-clicking or by clicking **right arrow**. This will move the cost centre from the left panel to the right panel.
4. At the bottom of the screen find the **Example New Grant** ledger code (**0210-01**) and double-click or click the right arrow to move from the left panel to the right panel.

Link Ledger Codes To Cost Centres

Available Cost Centres

Looking for:

Code	Description
700	Miscellaneous Income
701	Lettings Income
710	School Meals Income
910	Other Government Grants
920	LA Grants

Sequence: Code Description

Chosen Cost Centres

Code	Description
900	School Budget Share Income

Available Ledger Codes

Looking for:

Code	Description
0200-01	School Budget Share Funding
0250-01	Pupil Premium Funding
0260-01	Insurance Top Up
0270-01	PE & Sports Grant
0270-02	PE & Sports Grant

Sequence: Code Description

Chosen Ledger Codes

Code	Description
0210-01	Example New Grant

Create Links Cancel Help

5. Click **Create Links**; a message will be displayed stating how many links have been created and how many already existed.

6. Click **Save**.

03 – Year End System Check

Chapter Introduction

This chapter looks at the year-end system check that will assist the year end process.

Year End System Checks Ensure that you are in the current, not yet closed financial year.

Select **Reports | Year End | System Checks**.

This report gives a list of items that should be resolved before closing the year.

While some of the transactions will prevent a year being closed there may be other items which will require additional actions before the year end can be processed. Additional reports will be needed to review each area of FMS.

Transactions that will prevent a year end close should be processed, that is, deleted, cancelled, posted, or authorised before the year can be closed.


Transaction Type	Status on Report	Action before Year End
Order	Not authorised	Delete or authorise
AP invoice (local)	Not fully authorised	Cancel or authorise
	On hold	Change status or cancel commitment
AP invoice (central)	Not fully authorised	Authorise and print authorisation slip or cancel
	Authorisation slip not printed	Print authorisation slip or cancel
	Invoice on hold	Change status, cancel invoice (transferable if authorisation slip is printed).
Credit notes	Not authorised	Cancel or authorise
Non-invoiced income	Created	Delete or post
AR (invoiced income)	Created or authorised	Authorise and print, print or cancel
Petty cash	Unposted	Delete or post
All journals	Unposted	Delete or post

Transferable

- Transactions marked with a T may be transferred and require processing in the new financial year.
- Transactions marked TS may be transferred as supporting items, for example, the order supporting an invoice.

At the end of the report, further reasons may be given as to why it is not possible to run preliminary/final close, for example, ledger codes have been added since the new financial year was defined. If ledger codes, cost centres, ledger groups, profile models or journal templates have been added, select **Tools | Define Financial Years | Update Next Year's Structures**. This will ensure that these are copied across into the new year. This option will also need to be selected to ensure that paying in books or products added since the new year was created are also copied across.

Year End System Check Report



Selection:
 Financial Year -
 Transaction Type - All
 Include Transferable Transactions - No
 Include Support Items - No
 Print Order - Transaction No
 User: US1 Establishment: Waters Edge School

PO Outstanding					
Order No	Date	Supplier	Original Amount	Commitment	Status
#00079805 (WE)	18/08/2023	ESPO	61.00	61.00	Not authorised
#00079807 (WE)	18/08/2023	Sportscene Ltd	18.59	18.59	Not authorised

AP Outstanding						
Invoice/Credit Note No	Type	Date	Order No	Supplier	Amount	Status
DC32808	PI	11/08/2023	WE006750	DC Maintenance Ltd	7,132.97	Not fully authorised
DIG441720	PI	10/08/2023	WE006742	Digicom Computers	49.32	Invoice on hold
ELF212451	PI	15/08/2023	WE006758	Equipment for Learning	450.00	Not fully authorised
EPS25005	PI	11/08/2023	WE006751	Eastshire Plumbing Services	771.06	Not fully authorised
PS055100	PI	15/08/2023	WE006768	The Printer Store	287.95	Not fully authorised
ST97628	PI	14/03/2023	WE006554	Station Timber Ltd	30.00	Not fully authorised

Petty Cash Outstanding			
PC Trans No	Date	Description	Amount Status
#0002775	18/08/2023	Unposted Expenditure	60.00 Unposted

Invoiced Income - Receipts Outstanding			
Trans. ID	Date	Debtor	Amount Status
00001960	18/08/2023	Eastshire Table Tennis Club	25.00 Created & Printed
00001961	18/08/2023	Judo Club	120.00 Created & Printed

Invoiced Income - Pay Ins Outstanding			
Trans. ID	Date	Amount Status	
00001962	18/08/2023	145.00 Created	

Please Note : Order Original Amount Excludes Discount
 Legend: T - Transferable ; TS - Transferable in Discount

Printed on 18/08/2023 10:00:00 Page 1 of 2

Year End System Check Report

Non transaction reasons why preliminary/final close cannot be run and Warnings

Description

Next year must be started

The date today must be in the new year

04 – Processing Outstanding Transactions

Chapter Introduction

This chapter explores the transaction areas of FMS that could cause problems at the financial year end. The system check in the previous chapter provides information on the state of any problem transactions. The following areas will be investigated:

- orders and commitments
- invoices (Accounts Payable)
- petty cash
- journals
- non-invoiced income
- accounts receivable invoices (invoiced income)
- bank reconciliation
- personnel links.

This chapter provides general guidance on the processing of problematic transactions but not specific accounting advice.

You should be in the financial year you are trying to prepare for closure.

System Date	Activity	Activities for Period 12 August 2023
18/08/2023	1	Define and Open Financial Year 2023/2024.
18/08/2023	2	Define Salary Periods 2023/2024.
18/08/2023	3	Define VAT Periods for 2023/2024.
18/08/2023	4	Authorised Orders and Print. The value of outstanding orders transferred to 2023/2024 amount to £1,500.00.
18/08/2023	5	Remove 1 Accounts Payable Invoice "On Hold" – Digicom Computers Invoice No. DIG441720 £49.32.
18/08/2023	6	Authorise 6 Accounts Payable Invoices.
18/08/2023	7	Post Petty Cash for £60.00 to August 2023.
18/08/2023	8	Post Petty Cash Reimbursement for £60.00 to August 2023; Closing balance of £100.
18/08/2023	9	Post Accounts Receivable Paying in Slip for £145.00 to August 2023.
18/08/2023	10	Undertake Bank Reconciliations for 18/08/2023, choosing both bacs runs-BACS292 and BACS293

System Date	Activity	Activities for Period 12 August 2023
18/08/2023	11	Post Cash Book Journal – bank interest for August 2023 is £20.72 which needs to be accounted for in 2022/2023. Fund Ledger Code Cost Centre £20.72 DR BK01 £20.72 CR 01 0152 700
18/08/2023	12	Fund 02 has been used for a Govt Grant and should balance to zero.
18/08/2023	13	Retained Earnings Ledger Codes has been defined; the carry forward will be carried forward on the Ledger Code/Fund combination.
18/09/2023	14	Undertake Preliminary Closure
18/09/2023		Entries to be posted into Period 13 2022/2023
18/09/2023	15	Generate VAT 126 Return for August 2023 – value £4,514.61. For the purposes of the training course the VAT126 report will not be created.
18/09/2023	16	Post accrual using a “Year End Adjustment <u>Reversing Journal</u> ” for the summer term 2023 telephone bill: – Fund Ledger Code Cost Centre £350.00 DR 01 5003 300 £350.00 CR N/A SUNC N/A
18/09/2023	17	Post accrual using a “Year End Adjustment <u>Reversing Journal</u> ” for the Audit Fee for 2022/2023: – Fund Ledger Code Cost Centre £9,250.00 DR 01 5021 301 £9,250.00 CR N/A SUNC N/A
18/09/2023	18	Undertake Second Preliminary Closure.
18/09/2023	19	Undertake Final Closure.

The above actions will generate a carry forward from 2022/2023 to 2023/2024 of £130,000, all associated with Fund 01 General Annual Grant. Fund 02 Govt Grant has a zero balance. The balance can be seen on the Balances and Reserves reports. In addition, the reversal of the telephone and audit accruals will appear as the only credit transactions in 2023/2024 amounting to £9,600, within the Chart of Accounts on the appropriate ledger codes.

Ledger Code Type	Description	2023/2024 Period 0 £	Balance £
	Assets		
VI	Input VAT	5,675.00	
DC	Debtors	750.00	
BK	Bank	158,125.00	
PC	Petty Cash	100.00	164,650.00
	Liabilities		
VO	Output VAT	0.00	
LS	Liabilities	-9,600.00	
CC	Creditor Control	-25,050.00	-34,650.00
	Net Assets		130,000.00
RE	Retained Earnings		-130,000.00

Orders and Commitments

Before a financial year can be closed all orders have to be in the correct state. Any orders that have a state of authorised, printed or partially invoiced will be transferred to the new financial year on the first preliminary close down. Fully invoiced orders may also be transferred if they are a support item for other transactions. Orders with a state of not yet authorised, or on hold cannot be transferred and would prevent a close down from taking place. These orders need to be dealt with by either deleting or authorising them.

The lead up to the end of the financial year is also a good opportunity to look at all outstanding orders and ensure that they are still valid. Some orders could have been raised several months ago with only a few items outstanding, which may never be delivered. These should be investigated, and a decision made on whether they should be cancelled or transferred into the new financial year. Staff members may need to seek advice from their accountants regarding this.

Step by Step – Running the Outstanding Orders Report

A useful report is available to list all the outstanding orders. This will show all not yet authorised, authorised, printed, and partially invoiced orders.

1. Select **Reports | Accounts Payable | Purchase Order Reports | Purchase Orders**.
2. Select **Outstanding Orders** on the **Report Criteria** screen.
3. Click **OK** to display the report on screen.
4. Any orders not yet authorised will always appear at the top of the report. Thereafter the orders will be displayed by order number as a default (this can be changed to order date on the **Report Criteria** screen when running the report). The order total and remaining commitment are displayed.

List of Outstanding Purchase Orders

Selection:
 Financial Year -
 Supplier - All
 Source - All
 From Order Date - NA
 To Order Date - NA
 From Order Number - NA
 To Order Number - NA
 Print Order - Order Number

User: US1 Establishment: Waters Edge School

Order Number	Auth By	Print Status	Supplier	Supplier Code	Status	Order Total	Commitment
Non XML Orders - 23 XML Orders - 0							
#00079188 (WE)	N/A	Not printed	ESPO	00000022	Not Yet Authorised	15.80	15.80
#00079189 (WE)	N/A	Not printed	The Consortium	00000037	Not Yet Authorised	906.95	906.95
#00079190 (WE)	N/A	Not printed	Sportscene Ltd	00000029	Not Yet Authorised	73.48	73.48
WE00000001	AUT	Printed	Cedar Gallery	00000051	Partly Invoiced	31.84	11.94
WE00000002	AUT	Printed	Rank Xerox	00000017	Printed	20.00	20.00
WE00000003	AUT	Printed	Pemberton's Bookshop	00000016	Partly Invoiced	28.71	16.83
WE00000004	AUT	Printed	Science Advisory Service	00000028	Partly Invoiced	39.92	19.96
WE00000005	AUT	Printed	CCF Fabrics	00000038	Partly Invoiced	62.79	26.91
WE00000006	AUT	Printed	Buckwell Publishers	00000009	Printed	21.96	21.96
WE00000007	AUT	Printed	Cedar Gallery	00000051	Printed	23.88	23.88
WE00000008	AUT	Printed	Digicom Computers	00000008	Partly Invoiced	103.25	73.75
WE00000009	AUT	Printed	Ryman Stationers	00000019	Partly Invoiced	19.13	1.95
WE00000010	AUT	Printed	YPO	00000032	Printed	20.40	20.40
WE00000011	AUT	Printed	The Consortium	00000037	Printed	29.45	29.45
WE00000012	AUT	Printed	ESPO	00000022	Partly Invoiced	29.08	6.38
WE00000013	AUT	Printed	Charles King Motors	00000004	Printed	45.00	45.00
WE00000014	AUT	Printed	Pemberton's Bookshop	00000016	Printed	5.96	5.96
WE00000015	AUT	Printed	ESPO	00000022	Printed	18.16	18.16
WE00000016	AUT	Printed	Equipment for Learning	00000025	Partly Invoiced	14.98	4.99
WE00000017	AUT	Printed	Ryman Stationers	00000019	Printed	14.47	14.47
WE00000018	AUT	Printed	Station Timber Ltd	00000048	Printed	80.00	80.00
WE00000019	AUT	Printed	Equipment for Learning	00000025	Printed	29.90	29.90
WE00000020	AUT	Printed	Digicom Computers	00000008	Printed	31.98	31.98
Totals						1,887.18	1,887.18

Legend: T - Transferred to Next Year; F - Transferred from Last Year; TR - Transferred to Next Year and Reinstated; FR - Transferred from Last Year and Reinstated
 TD - Transferred to Next Year in Support; FS - Transferred from Last Year in Support (These FS values should be deducted from column totals)

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Step by Step – Order Purchasing Browse

It is also possible to view outstanding orders in the **Order Purchasing** browse.

1. Select **Focus | Accounts Payable | Purchase Order**.
2. Select **Outstanding** from the **View** field browser and the order list will change to **Outstanding Orders**.

Step by Step – Authorising Orders

Any orders not yet authorised or on hold orders must be dealt with. The options available are to authorise and print the order or to delete it.

1. Select **Focus | Accounts Payable | Purchase Order**.
2. Select **Un-Authorised** from the **View** field browser and then click **Select**.

A list of un-authorised orders will appear similar to the screenshot displayed below.

The screenshot shows the 'Purchase Order Processing' window. At the top, there is a 'Looking for' field and a 'View' dropdown menu set to 'Un-Authorised'. Below this is a 'Sequence' section with options for 'Order Number', 'Date', and 'Source', and sorting options for 'Ascending' and 'Descending'. The main area contains a table of purchase orders.

Date	Order Number	Supp. Code	Supplier	Order Status	Order Method	Source	Originator	Cross Year
	#0007 (WE)	00000029	Sportscene Ltd	Not Yet Authorised	Print	FMS	US1	
	#0007 (WE)	00000037	The Consortium	Not Yet Authorised	Print	FMS	UD1	
	#0007 (WE)	00000022	ESPO	Not Yet Authorised	Print	FMS	US1	

At the bottom of the window, there is a 'Payment From' field set to 'Bank Account', a 'Transaction ID' field set to '00006317', and an 'Order Total' field. Below these are buttons for 'Selection', 'Tag...', 'Un-Tag All', 'Print Tagged', and 'Authorise Tagged'.

For the purposes of this training course **Tag** the **Not Yet Authorised** order(s) and then click **Authorise Tagged**. Click **Yes** to authorise the orders. Acknowledge the message about a credit limit for one of the orders. A summary of the number of orders authorised will be displayed. A message is displayed stating the record will pass outside the view because they are no longer un-authorized. These orders would then usually be printed, but for the purposes of this training course we will ignore this step.

NOTE: Any orders that have a state of On Hold will need to have the On-Hold tick removed to change the state of the order to Not Yet Authorised and dealt with.

If, in school, there are unauthorised orders that need to be deleted this can be done by clicking – (minus) at the top of the screen.

Step by Step – Cancelling an Order

Once the process of investigating outstanding orders has been completed, it may be necessary to cancel an order or clear the remaining commitment on an order. For the purposes of the training course the following explores how to cancel orders, but none will be cancelled.

1. Select **Focus | Accounts Payable | Purchase Order**.
2. Select **Outstanding** from the **View** field browser and click **Select**.

A list of outstanding orders will appear as shown in the graphic below.

Date	Order Number	Supp. Code	Supplier	Order Status	Order Method	Source	Originator	Gross Year
	WE00000029	00000029	Sportscene Ltd	Authorised	Print	FMS	US1	
	WE00000037	00000037	The Consortium	Authorised	Print	FMS	UD1	
	WE00000022	00000022	ESPO	Authorised	Print	FMS	US1	
	WE00000008	00000008	Digicom Computers	Printed	Print	FMS	ENT	
	WE00000025	00000025	Equipment for Learning	Printed	Print	FMS	UD1	
	WE00000048	00000048	Station Timber Ltd	Printed	Print	FMS	ENT	
	WE00000019	00000019	Ryman Stationers	Printed	Print	FMS	ENT	
	WE00000025	00000025	Equipment for Learning	Partly Invoiced	Print	FMS	ENT	
	WE00000022	00000022	ESPO	Printed	Print	FMS	ENT	
	WE00000011	00000011	Beckfordshire Newspapers	Partly Invoiced	Print	FMS	ENT	
	WE00000016	00000016	Pemberton's Bookshop	Printed	Print	FMS	ENT	
	WE00000004	00000004	Charles King Motors	Printed	Print	FMS	UD1	
	WE00000022	00000022	ESPO	Partly Invoiced	Print	FMS	ENT	

Payment From: Bank Account Transaction ID: 00006317 Order Total: £1,000.00

Selection: Tag... Un-Tag All Print Tagged Authorise Tagged

3. Highlight an order with **Printed** status.
4. View this order by double-clicking it.
5. To cancel this order click **Cancel Order/Clear Remaining Order Commitment** at the top right of FMS.



Cancel Order/Clear Remaining Order Commitment

The same button will also clear all remaining commitment if the order is partly invoiced.

In some cases, it may be necessary to only clear the commitment on a single line of an order. This could occur where one item on the order is no longer available. If this is the last remaining item, or commitment on a partially invoiced order, then the status of the order will be changed to fully invoiced.

Invoices (Accounts Payable)

Before a financial year can be closed, all suppliers' invoices have to be in the correct state. Any invoices that have a state of fully authorised will be transferred to the new financial year on the first preliminary close down. Paid invoices will also be transferred if they are a support item for other transactions. Invoices with a state of unauthorised or on hold cannot be transferred and would prevent a close down from taking place. These invoices must be dealt with by either cancelling or authorising them.

Step by Step – Authorising Invoices

To complete the year end process, it is necessary to ensure that there are no on hold or unauthorised invoices.

1. Select **Focus | Accounts Payable | Invoice/Credit Note**.
2. Select **On Hold** from the **Status** field.

The screenshot shows the 'Invoice/Credit Note Processing' window. The 'Status' field is set to 'On Hold'. The table below lists the invoices found:

Invoice/Credit Note No.	Invoice Date	Trans ID	Amount	Status	Order Number	Cross Year	Supplier	SRC
00014857	11/01/2017	00014857	159.30	On Hold			Equipment for Learning	FMS

Buttons at the bottom: Tag Unauthorised..., Un-Tag All, Processing, Authorise Tagged.

3. Double-click the **On hold** invoice and then remove the tick from the **On Hold** box.
4. Click **Save**.

A message will be displayed reporting the record will pass outside the view that is selected.

5. Click **OK**.
6. Select **Unauthorised** from the **Status** field.
7. A list of any unauthorised invoices will appear as shown in the graphic displayed below.

The screenshot shows the 'Invoice/Credit Note Processing' window with the 'Status' field set to 'Unauthorised'. The table below lists the unauthorised invoices:

Invoice/Credit Note No.	Invoice Date	Trans ID	Amount	Status	Order Number	Cross Year	Supplier	SRC
00014944	11/01/2017	00014944	200.44	Unauthorised	Non-Order		British Gas	FMS
00014945	11/01/2017	00014945	334.85	Unauthorised	Non-Order		British Gas	FMS
00014914	11/01/2017	00014914	250.34	Unauthorised			Beckfordshire Newspapers	FMS
00014915	11/01/2017	00014915	227.24	Unauthorised			Beckfordshire Newspapers	FMS
00014916	11/01/2017	00014916	43.06	Unauthorised			CCF Fabrics	FMS
00014913	11/01/2017	00014913	300.00	Unauthorised			CCF Fabrics	FMS
00014917	11/01/2017	00014917	23.88	Unauthorised			Cedar Gallery	FMS
00014942	11/01/2017	00014942	148.92	Unauthorised			Charles King Motors	FMS
00014932	11/01/2017	00014932	73.30	Unauthorised			The Consortium	FMS
00014933	11/01/2017	00014933	137.64	Unauthorised			The Consortium	FMS
00014941	11/01/2017	00014941	21,088.22	Unauthorised			DC Maintenance Ltd	FMS
00014857	11/01/2017	00014857	159.30	Unauthorised			Digicom Computers	FMS
00014918	11/01/2017	00014918	99.20	Unauthorised			Digicom Computers	FMS
00014919	11/01/2017	00014919	35.40	Unauthorised			Digicom Computers	FMS
00014920	11/01/2017	00014920	33.43	Unauthorised			Equipment for Learning	FMS
00014921	11/01/2017	00014921	13.96	Unauthorised			Equipment for Learning	FMS

Buttons at the bottom: Tag Unauthorised..., Un-Tag All, Processing, Authorise Tagged.

For the purposes of this training course, it will be necessary to authorise all the unauthorised invoices.

8. Tag all the unauthorised invoices and then click **Authorise Tagged**. A summary of the number of processed invoices will be displayed.

It is sometimes necessary to cancel an unauthorised invoice. To complete this view the invoice and then click **Cancel Invoice**. For the purposes of this training course we will not complete this.



Cancel Invoice

Remember that any orders attached to invoices that are cancelled will then be released back into FMS and may also need to be cancelled.

Petty Cash

Before a financial year can be closed any unposted petty cash transactions must be dealt with. Any unposted petty cash expenditure must be posted or deleted. The cash in hand figure on FMS should match the actual value of the petty cash held in the petty cash tin/safe. It may also be necessary to also complete a reimbursement if you want your petty cash balance returned to your maximum float level.

Step by Step – Posting Petty Cash Expenditure

To complete the year end process, it is necessary to ensure that there is no unposted petty cash expenditure.

1. Select **Focus | General Ledger | Petty Cash**.

A list of petty cash transactions will appear similar to the graphic below.

Date	Trans. No.	Amount	Description
	00002697	50.00	Unposted Expenditure
	00000677	-80.00	Petty Cash top up
	00000676	80.00	Petty Cash
	00000675	-90.00	Petty Cash top up
	00000674	90.00	Petty Cash
	00000673	-80.00	Petty Cash top up
	00000672	80.00	Petty Cash
	00000671	-80.00	Petty Cash top up

For the purposes of this training course it will be necessary to post any unposted expenditure.

2. Highlight the **Unposted Expenditure** and click **Post Transaction** on the upper right-hand side.
3. Complete the narrative with **Petty Cash to End of Year** and click **Post**.



Post Transaction

If the unposted petty cash expenditure has been entered by mistake it may be necessary to delete this transaction by clicking – at the top of the screen.

Step by Step – Posting Petty Cash Reimbursement

Before a financial year can be closed, a petty cash reimbursement might be needed to be completed to bring the petty cash year-end balance up to £100. Complete the following reimbursement.

1. Select **Focus | General Ledger | Petty Cash**.

Date	Trans. No.	Amount	Description
	00000678	50.00	Petty Cash to [redacted]
	00000677	-80.00	Petty Cash top up
	00000676	80.00	Petty Cash [redacted]
	00000675	-90.00	Petty Cash top up
	00000674	90.00	Petty Cash [redacted]
	00000673	-80.00	Petty Cash top up
	00000672	80.00	Petty Cash [redacted]
	00000671	-80.00	Petty Cash top up

2. Click **+** to **Add Record**.
3. Select **Reimbursement** and then click **Select**.
4. Select Period 12, type a figure into the **Amount** field to bring the Cash in hand figure back up to £100, or whatever carry forward balance is required.
5. Select the open cheque book into the **Cheque Book** field.
6. Type **Cash** into the **Cheque Payee** field.
7. Type **Petty Cash top up** into the **Narrative** field.
8. Click **Save**, and then click **Yes** to post the transaction.

Journals

Unposted journals also need to be dealt with. If there are any unposted journals on FMS, the close down will fail. To resolve this, journals need to be posted or deleted. There are a number of different types of journals.

- normal journals
- reversing journals
- cash book journals

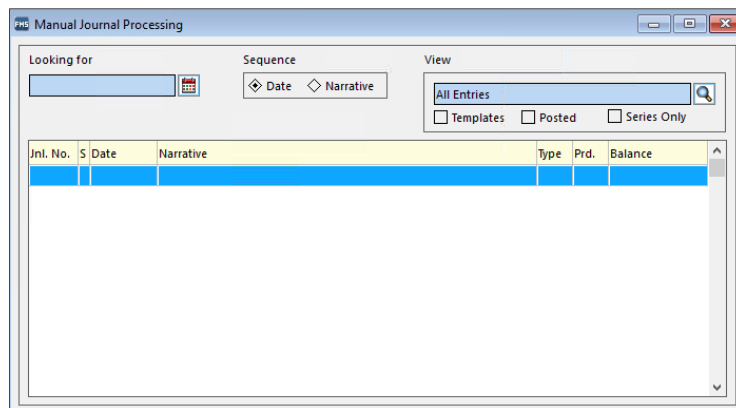
- VAT reimbursement journals
- VAT transfer journals.

Posting Unposted Journals

To complete the year end process, it is necessary to ensure that there are no unposted journals. In the training data there are no unposted journals.

Unposted journals can be viewed by selecting **Focus | General Ledger | Manual Journal Processing**.

A list of unposted journals will appear as shown in the graphic displayed below.



If there are any unposted or incomplete journals, they will be visible. A **U** will display for unposted in the status (**S**) column.

For the purposes of this training course there are no unposted journals at this stage.

If an unposted journal needs to be removed, for example, it may have been started in error, highlight the **unposted journal**, and click the – at the top of the screen.

Activity – Enter Bank Interest

You contact the bank and are told that the bank interest for August is £20.72. This needs to be accounted for in the year you are preparing for closure via a cash book journal. Complete the following entries as a cash book journal and post.

Ledger code	Fund	Cost centre	Debit	Credit
BK01			20.72	
0152	01	700		20.72

Non-Invoiced Income

Before a financial year can be closed it is necessary to ensure that all non-invoiced income receipts entered have been paid in and all paying in slips have been posted.

Step by Step – Paying In Unposted Receipts

To complete the year end process, it is necessary to ensure that there are no unposted receipts. In our training data there are not any, but you should check.

1. Select **Focus | Non-Invoiced Income | Receipts**.

A list of unposted receipts will appear as shown in the graphic displayed below if there are any.

If there are any unposted receipts these will be visible on this screen. To view **Paid In** receipts, change the **View** to **Paid In**.

2. Click **Close**.

Accounts Receivable (AR) Invoices – Invoiced Income

It is possible to issue accounts receivable invoices right up to the last day of the financial year. After this date staff members should be producing AR invoices in the new financial year.

All AR invoices should be authorised and printed before the last day of the financial year.

- Currently only the paying in books are transferred at the year. In FMS select **Tools | Define Financial Years | Update Next Year's Structures** and click tab **4: Invoiced Income**. All other books are visible in all financial years, so they do not need to be transferred at year end.
- As there are strict rules concerning invoice, receipt, pay in, period and tax point dates, the system check report in FMS should be run before 1st September. This will identify any invoices, credit notes, receipts and pay in slips which require printing and posting.

NOTE: These should be printed and posted before attempting to close the financial year, as preliminary close will fail if any created items not yet posted are found.

- When the old year is closed, either through preliminary or final closure, invoices are not transferred into the new year. This does not mean that they are not available when entering a receipt for payment received in the new financial year. A list of all outstanding invoices and receipts is available for matching to payments.

NOTE: If a credit note or write-off is required for an AR invoice in the new financial year the AR invoice will need to be transferred into the new year. This is achieved by changing back to the appropriate year in FMS and opening the Accounts Receivable module. Locate the invoice in question, highlight and click Write-Off. A message will be displayed asking if you want to copy the invoice into the next financial year. Clicking Yes will move the invoice into the next year. The invoice can then be dealt with in the normal way in the new year.

Step by Step – Paying In Unposted Receipts

If there are any unposted receipts in Accounts Receivable, they must be paid in before a year end can take place.

- In FMS select **Focus | Accounts Receivable (Invoiced Income)** to open the Accounts Receivable module.
- Select **Focus | Pay In.**
- Select the paying-in slip with a status of created and double-click.
- Click **Post Pay In Slip** to complete the paying in process.



Post Pay In Slip


Debtor Review

It is recommended that the aged debtor report is reviewed and any debts that are considered unrecoverable are written off within the current financial year before year end.

In Accounts Receivable select **Reports | Aged Debtor Report**. Click **OK** on the report criteria screen to display the report, similar to the graphic shown below.

Aged Debtor Report

Selection:
Debtor: All
Sequence: Debtor Name
Financial Year:



User: SYSEstablishment: Waters Edge School

Debtor	Number	Total Outstanding	Period of Outstanding Balance (days)			
			0 - 30	31 - 60	61 - 90	91+
Chesterton Carpet Bowls	000011	30.00	0.00	0.00	0.00	30.00
Judo Club	000020	620.00	0.00	240.00	240.00	140.00
Salva Dance	000010	450.00	0.00	240.00	210.00	0.00
			0.00	480.00	450.00	170.00
			0%	64%	41%	15%

Exit the Accounts Receivable module.

Bank Reconciliation Processes

Normally a final bank reconciliation would be completed at the end of the financial year. It will be necessary to ensure that staff members have a financial statement that goes up to 31st August. It may be possible to download a statement from your internet banking provider up to this date rather than waiting for the traditional paper copies to arrive. It is essential that staff ensure that the final balances are correct.

Step by Step – Adding Bank Reconciliation

1. The bank reconciliation can be added through **Focus | General Ledger | Bank Reconciliation**.
2. Add a statement. Insert the next statement number in the sequence and the date matching the FMS system date.
3. Select all unreconciled **BACS Runs**.
4. Click **Save** and then **Save** once more.

Step by Step – Producing an Unreconciled Transaction Listing

Once the bank reconciliation is complete it is usually necessary to obtain a report of all the un-presented transactions.

1. Select **Reports | General Ledger | Bank | Unreconciled Transaction Listing**.
2. Select **BK01 Bank Account** and ensure that the transaction end date is set to the same date as the FMS system training date.
3. Click **OK** to produce the report. An example is shown in the graphic displayed below.

Bank Reconciliation - Unreconciled Items

Selection

Financial Year - 2021
Account - All Bank Accounts
From Transaction Date - NA
To Transaction Date - 27/08/2022

User: US1 Establishment: Waters Edge School

Date	Ref	Bank	Details	Source	Payments	Receipts
	004080	BK01	CCF Fabrics	AP	50.23	0.00
	004090	BK01	Science Advisory Service	AP	60.00	0.00
	004103	BK01	Harmony Music Supplies	AP	33.07	0.00
	004104	BK01	Pemberton Bookshop	AP	126.29	0.00
	004105	BK01	Rank Xerox	AP	150.00	0.00
	004106	BK01	Ryman Stationers	AP	29.94	0.00
	004110	BK01	Buckwell Publishers	AP	45.73	0.00
	004111	BK01	CCF Fabrics	AP	57.31	0.00
	004112	BK01	Cedar Gallery	AP	124.32	0.00
	004113	BK01	Fresh Farm Produce	AP	81.66	0.00
	004114	BK01	Harmony Music Supplies	AP	12.96	0.00
	004115	BK01	LFS Associates	AP	1,482.00	0.00
	004116	BK01	Pemberton Bookshop	AP	71.59	0.00
	004117	BK01	Rank Xerox	AP	24.00	0.00
	004118	BK01	Ryman Stationers	AP	32.27	0.00
	004119	BK01	Science Advisory Service	AP	80.22	0.00
	004120	BK01	Sportscene Ltd	AP	2,092.80	0.00
		Payroll	Eastshire Council - Payroll - Aug	GL	121,351.93	0.00
	004121	BK01	Beckfordshire Newspapers	AP	66.00	0.00
	004122	BK01	Browns Travel	AP	360.00	0.00
	004123	BK01	Buckwell Publishers	AP	114.37	0.00
	004124	BK01	CCF Fabrics	AP	111.47	0.00
	004125	BK01	Cedar Gallery	AP	408.67	0.00
	004126	BK01	Charles King Motors	AP	322.71	0.00
	004127	BK01	Pemberton Bookshop	AP	107.69	0.00
	004128	BK01	Rank Xerox	AP	52.66	0.00
	004129	BK01	Ryman Stationers	AP	125.08	0.00
	004130	BK01	Science Advisory Service	AP	194.32	0.00
	004131	BK01	Sportscene Ltd	AP	79.12	0.00
	004132	BK01	Station Timber Ltd	AP	54.00	0.00
	004133	BK01	Petty cash top up	PC	50.00	0.00
	Bank interest	BK01	Bank interest	GL	0.00	19.97
	PB000422	BK01	Slip: PB000422	AR	0.00	330.00
					127,962.41	349.97

Movement : 127,602.44 DR.

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Step by Step – Checking the Unreconciled Transactions Report

When the first preliminary close down is undertaken all unreconciled items will transfer to the new financial year. It is good practice to check the **Unreconciled Transactions** report to see if anything needs to be cancelled.

1. Select **Focus | Accounts Payable | Cheque Processing**. Select the relevant cheque run or use **Find Cheque Number**.
2. Once the cheque has been located click **Cancel Cheque**, confirm the cheque needs to be cancelled, and then enter an appropriate entry into the **Audit log**. Cancel the invoice and order if the commitment is no longer required.

NOTE: It is recommended that you speak with your accountants to ensure that you are aware of all the necessary reports required following the bank reconciliation.

BACS Payments

BACS runs and payments are not transferred from one year to the next. Therefore, it is essential that all BACS transactions are reconciled before running preliminary and final close.

If you decide to run a preliminary close within one calendar month of year end, or a BACS run within the last month of the year, a warning message will be displayed advising you to ensure that all BACS transactions and contra transactions have been reconciled to the bank statement. This does not apply to failed BACS files, as these never appear on bank statements. It is possible for a BACS file to appear on one bank statement and any contra records for BACS transactions which have failed to appear on a later statement.

Once a preliminary close has been run for the previous financial year, staff will only be able to view BACS payments. No further processing for the year may take place.

Ensure that all BACS transactions have been reconciled, as outstanding BACS files will not be transferred to the new year.

VAT Claims

It is necessary to ensure that the final VAT claim has been produced for the financial year. This may be the last quarter or month for the year, depending on the frequency of claim. The earliest this final VAT report can be run is 1st day of the new financial year. The appropriate VAT report must be run depending on whether the school is VAT registered or not. The various VAT reports are found under **Reports | VAT** and either **VAT Reports** or **VAT 126 Report**. For the purposes of this training course we will not run these reports.

NOTE: For academies registered with HMRC for VAT, please see latest guidance on the portal for Making Tax Digital and the procedures in place within FMS and the FMS Hub

Personnel Links

If using personnel links, you will need to clear any outstanding salary commitments within FMS. This should be done once all salary payments have been completed, or if salary payments are made in a different way but commitments appear for salary calculations.

If there are any outstanding salary commitments, clear these down before the final close down (this will not prevent a preliminary close down). For the purposes of this training course the year end system check will indicate whether there is any outstanding commitment. If there is no outstanding salary commitment, then the following is an example of what should be done in school.

Step by Step – Salary Commitment – Personnel Links

1. Select **Focus | Personnel Links | Salary Projection**.
2. Click **Clear Commitment** at the top right of the screen.



Clear Commitment

3. Check each month for any outstanding commitments by clicking in the **Commitments For Period** field. If there are any outstanding commitments, then click **Tag All** and **Clear Commitments** for each period. For the purposes of the training course all the commitments have been cleared.

Clear Commitment

Commitments for Period:

View:

Service Term:

Sub Group:

Name	Service Term	Sub Group	Payroll No	FTE	Commitment

Selection: Processing

05 – Reports

Chapter Introduction

This chapter explores some of the essential and useful FMS reports that can assist the year end process. It is essential to be aware of the requirements of the accounts and the Education and Skills Funding Agency (ESFA) and seek advice where appropriate. The following list of reports may be useful in determining the financial position of the school.

- Cost centre summary report shows commitments to be carried into the new financial year: select **Reports | General Ledger | Transactions | Cost Centre Summary Transactions | Cost Centre Summary by Cost Centre**.
- Payroll control account shows transactions due to be processed after 1st September : select **Reports | General Ledger | Trial Balance | Ledger Code Balances** – select **Period 13** and **Payroll Ledger Code PY01**.
- Summary trial balance shows closing balances for all accounts, including bank, cash debtors and creditors and VAT codes: select **Reports | General Ledger | Trial Balance | Summary Trial Balance | By Ledger Code**. An alternative summary/detail version of this report is available in the new reporting engine under **Reports | General Ledger | Trial Balance | Trial Balance by I&E and Balance Sheet**.
- Chart of account review can check total balances or individual transactions on any ledger code or cost centre: select **Focus | General Ledger | Chart of Accounts Review**, select **Ledger Codes**, click **Ledger Group**, select VAT, and review **VAT codes** to ensure the actual figure agrees to the final VAT claim.
- Unreconciled bank transactions will be printed as part of the reports for the March bank statement reconciliation: select **Reports | General Ledger | Bank | Unreconciled Transactions Listing** and select the **Bank Account** and leave the **From** and **To** fields empty.
- Aged Creditor Report provides a list of creditors (the school owes money to): select **Reports | Accounts Payable | Supplier Analysis | Aged Creditor**. It is possible to run this report at any point in time.
- Aged Debtor Report: select **Focus | Accounts Receivable then Reports | Aged Debtor** – leave debtor blank to obtain a list of all monies owed to the school.
- Year-end transferred transactions: select **Reports | Year End | Transferred Transactions**. Select both transferable transactions and support items. As the current year has not been closed yet, choose the previous year as an example.
- Alternative summary/detail version of a trial balance is available. **Reports | General Ledger | Trial balance | Trial Balance by I&E and Balance Sheet – Detail**.
- Cumulative Expense Analysis select **Reports | General Ledger | Analysis | Cumulative Expense Analysis**. Select Cost Centre. Select Exclude Balance Sheet Accounts. Select Exclude Ledger Codes with Zero Value. Select Show Current Totals. Select Show Movement up to Period Y/E. Select Expand all group details. A Ledger code-based report is also available.

Trial Balances

ESFA Trial balance information can now be uploaded from FMS to the FMS Hub and at an appropriate time in late Autumn onto the DfE website once it has opened for the financial year that is ending. The uploaded file from FMS Hub, will auto-populate relevant areas of the Accounts Return at the DfE.

There is an ESFA mapping tool and a new ESFA Trial Balance by I and E and Balance Sheet Report. See the relevant chapter in this booklet..

NOTE: Although ESFA mappings could still be undertaken after a final closedown it is recommended that the mappings are undertaken before a final closedown to allow for journal adjustments to be processed. Journal adjustments cannot be undertaken after a final closedown.

06 – Budget Management in New Year

Chapter Introduction

This chapter covers the process of entering the budget in the new financial year. There are several ways to enter the budget into the new FMS year:

- enter manually (covered in this chapter)
- transfer the budget from the FMS Budget Planning module
- transfer the budget from HCSS Software FPSadvance.net.

For information on transferring the budget from FMS Budget Planning or HCSS software please see the appropriate documentation with these packages.

Budget allocations can be entered against cost centres when the new year is in a state of not started or started.

Step by Step – Cost Centre Allocation for GAG Funding

The anticipated general annual grant (GAG) funding allocation would usually be entered against several income ledger codes attached to a cost centre for GAG funding.

The following funding is anticipated for the new financial year.

School budget share: £1,200,000

Pupil Premium: £40,000

1. Ensure that you are in the new financial year.
2. Select **Focus | Budget Management | Cost Centre Allocation** to display the **Cost Centre Allocation Details** screen.
3. Double-click the **School Budget Share Income (900)** cost centre to show a list of ledger codes attached to this cost centre.

Ledger Code	Description	Profile Model	Expense	Income
0200-01	School Budget Share Funding	Manual Entry	0	0
0210-01	Example New Grant	Manual Entry	0	0
0250-01	Pupil Premium Funding	Manual Entry	0	0

Total Allocated Budget		Expense	Income
		0	0
Total Unallocated Budget		Expense	Income
		0	0

4. Enter the amounts against each ledger code as appropriate.
5. Double-click the **School Budget Share Funding** ledger code.
6. Type **1200000** in the **Budget to Allocate** field.

7. As the profile is set to manual entry the budget needs to be allocated across the periods. To make things easier for training purposes change the Profile Model to Twelfths.

Budget Details

Ledger: School Budget Share Funding

Profile Model: Twelfths

Budget to Allocate: 1200000

Unallocated Budget: 0

Narrative:

Period	Budget
Sep	99960
Oct	99960
Nov	99960
Dec	99960
Jan	99960
Feb	99960
Mar	99960
Apr	99960
May	99960
Jun	99960
Jul	99960
Aug	100440

Buttons: Add Remainder, Spread Remainder, Select for Spread..., Reset to Zero, Save, Cancel, Help

8. Clicking **Save** may present the following message. This message indicates that the budget limit will be increased or decreased automatically. Click **Yes**.

SIMS FMS Module

The expense budget you are allocating here exceeds the expense budget limit for the cost centre. Do you want the limit to increase automatically?

Buttons: Yes, No, Cancel

9. Repeat the process to allocate the remaining amounts so that the total allocation for this cost centre is **£1,240,000**.

Cost Centre Allocation Details

Holder: Threshold %: 100 Expense Limit: 0 Income Limit: 1240000

Ledger Code	Description	Profile Model	Expense	Income
0200-01	School Budget Share Funding	Twelfths	0	1200000
0210-01	Example New Grant	Manual Entry	0	0
0250-01	Pupil Premium Funding	Manual Entry	0	40000

Total Allocated Budget Expense: 0 Income: 1240000

Total Unallocated Budget Expense: 0 Income: 0

10. When all the budget has been split across the ledger codes click **Save**.

11. Type **Initial Budget** in the **Enter Narrative for Audit Trail** field, and then click **Save**.

Audit Trail

Enter Narrative for Audit Trail

Initial Budget

Save Cancel Help

12. Click **Focus Mode** to return to the list of cost centres.

Step by Step – General Cost Centre Allocation

1. Select **Focus | Budget Management | Cost Centre Allocation** to display the **Cost Centre Allocation Details** screen.

Cost Centre Allocation Details

Looking for:

Sequence: ☐ Code ☐ Description

Code	Description	Exp. Limit	Inc. Limit
100	Teachers	0	0
101	Supply Teachers	0	0
110	Admin & Clerical	0	0
111	Educational Support	0	0
112	Site Officers	0	0
113	Midday Supervisors	0	0
114	Cleaners	0	0

Totals

Expense Limit	Income Limit	Net Limit
0	1240000	-1240000

Fund Allocation

Expense Allocated	Income Allocated	Net Allocated
0	1240000	-1240000

2. Double-click the **Year 1** cost centre to display a list of ledger codes attached to this cost centre.

Cost Centre Allocation Details

Holder: Threshold %: Expense Limit: Income Limit:

Ledger Code	Description	Profile Model	Expense	Income
4001-01	Educational Equipment	Curriculum	0	0
4002-01	Materials	Curriculum	0	0
4003-01	Textbooks	Curriculum	0	0
4050-01	Con Fund All - Capitation	Manual Entry	0	0

Total Allocated Budget

Expense	Income
0	0

Total Unallocated Budget

Expense	Income
0	0

The budget to be allocated to this cost centre should then be split across the relevant ledger codes.

3. Double-click a **Ledger Code** to display the **Budget Details** screen.

4. Type **2000** in the **Budget to Allocate** field. If a profile model is provided this will be split across the periods appropriately, otherwise a manual spread will be required.
5. Clicking **Save** may present the following message. This message indicates that the budget limit will be increased or decreased automatically. Click **Yes**.

6. When all the budget has been split across the ledger codes, click **Save**.

7. Type **Initial Budget** in the **Enter Narrative for Audit Trail** field and click **Save**.

8. To return to the list of cost centres, click **Focus Mode**.

The rest of the budget now needs to be allocated across the cost centres.

NOTE: Once the initial budget has been entered, this may be fixed by clicking Fix Budget. This takes a snapshot of the budget and will be referred to as the original budget in certain reports. This process is not reversible. Cost centre allocations can still be made and will appear under the current budget in some reports.

07 – Preliminary Close Down

Chapter Introduction

This chapter covers the process involved in completing the preliminary close down of the financial year.

To complete the preliminary closure, it is necessary that the system check report run in Chapter 3 now no longer reports any issues. Return to Chapter 3 and run the report indicated to ensure that all is as it should be. It is important to check the second page of the report for non-transaction reasons why preliminary/final close cannot be run. Ensure you are in the financial year you are trying to close.

An example follows of what may be reported in this section. If Depreciation has been activated in FMS there will be a reminder about processing Depreciation before a Final Closedown. See KB0037181 ERW.pdf Chapter 04, for more details on how to setup and manage Assets and Depreciation in FMS.

Non transaction reasons why preliminary/final close cannot be run and Warnings

Description

Next year must be started

The date today must be in the new year

Step by Step – Open the New Financial Year

If the new financial year has not been started the following will need to be completed.

1. Select **Tools | Define Financial Years | Define/Edit Years**.

Year	State	Periods	Lowest Open	Archived
2012	Not started	12	1	No
2013	Started	12	1	No
2014	Finalized	12	13	No
2015	Finalized	12	13	No
2016	Finalized	12	13	No

Buttons: Open Year, Preliminary Close, Final Close

Period	Start Date	Name	Status
1	Sep	Open	
2	Oct	Open	
3	Nov	Open	
4	Dec	Open	
5	Jan	Open	
6	Feb	Open	
7	Mar	Open	
8	Apr	Open	
9	May	Open	
10	Jun	Open	

Checkboxes: ☐ Check Spending Against Cost Centre, ☒ Order Book Open, ☐ Order Book Open - Restricted Users, ☐ Record Deliveries

Next Year Begins: [Text Box]

Buttons: Save, Cancel, Help

2. Highlight the new financial year.
3. Click **Open Year** to change the state to **Started**.
4. Click **Save**.

Step by Step – Preliminary Closure

When necessary reconciliations have been completed, for example VAT submittals and reports, you will be in a position to complete the first preliminary close down.

After this first preliminary close only year-end adjustment transactions can be completed. This may involve audit/accounting adjustments where necessary.

NOTE: Bank reconciliation cannot be undertaken in the old year after the first preliminary, as all unreconciled transactions and bank balances are automatically carried forward at this time. It is particularly important that the bank balance reconciles to the actual bank statement at this point.

It is not possible to attempt to run a preliminary year end until at least the first day of the new financial year.

A request has been made to run a preliminary year end. Log out of FMS.

Check the system date is on or after **10:00 on 18/09/2023**. Log back into FMS using User1 as ID and Training01! as password.

NOTE: Before undertaking any preliminary close in school it is advisable to ensure that a suitable backup is made of the FMS data. This can be completed by selecting **Tools | FMS Transaction Backup**. Click Yes to complete.

1. Select **Tools | Define Financial Years | Define/Edit Years**.

Year	State	Periods	Lowest Open	Archived
	Started	12	1	No
	Started	12	1	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No

Open Year Preliminary Close Final Close

Period	Start Date	Name	Status
1		Sep	Open
2		Oct	Open
3		Nov	Open
4		Dec	Open
5		Jan	Open
6		Feb	Open
7		Mar	Open
8		Apr	Open
9		May	Open
10		Jun	Open

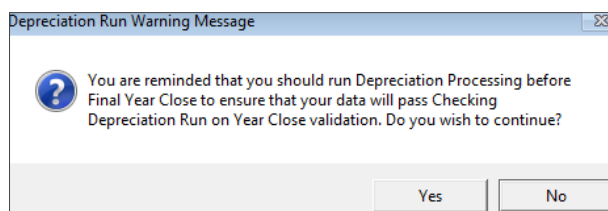
☐ Check Spending Against Cost Centre
☒ Order Book Open
☐ Order Book Open - Restricted Users
☐ Record Deliveries

Next Year Begins

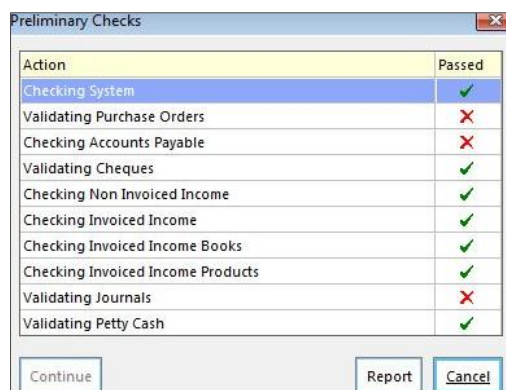
Save Cancel Help

2. Highlight the financial year you are trying to close and then click **Preliminary Close**.

3. The following warning message may be displayed.



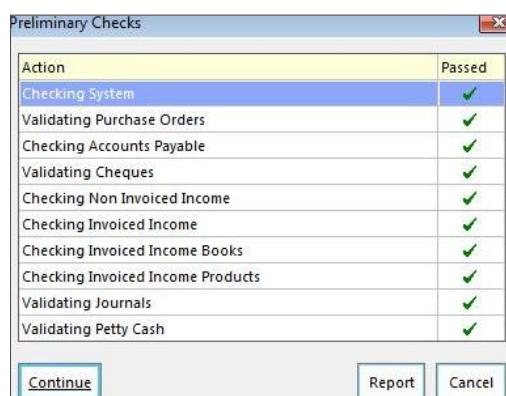
4. Click **Yes**. A message might appear reminding you to run depreciation before final closedown if asset management has been activated. The dialog, shown in the graphic below will be displayed.



5. If there is a red cross in any of the boxes, click **Report** to print a report which will advise why this part of the preliminary has failed or click **Cancel** to exit. The option to continue is not available if there are any failed areas.
6. Make any adjustments by revisiting the areas that have failed and start the preliminary year end procedures again.

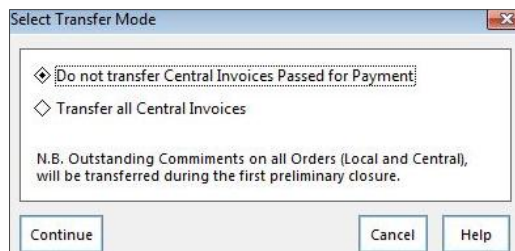
Staff members wish to run a preliminary year end again.

7. Select **Tools | Define Financial Years | Define/Edit Years**.
8. Highlight the financial year you are trying to close and then click **Preliminary Close**.
9. When all green ticks display, as in the graphic shown below, click **Continue**.

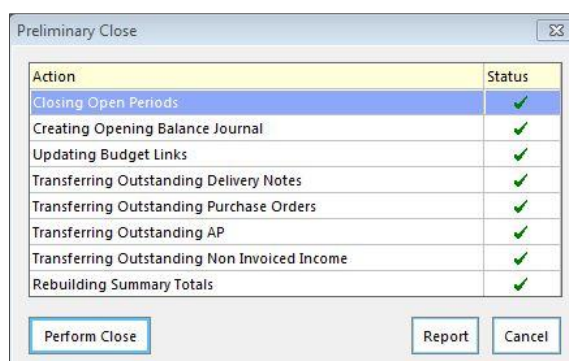


The following graphic may appear if the central options are still available.

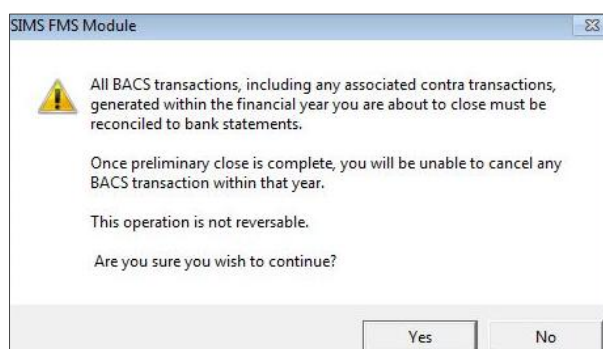
NOTE: The Waters Edge FMS data has Central functionality disabled so this will not appear.



10. Select **Do Not Transfer all Central Invoices**, and then click **Continue** to display the **Preliminary Close** screen, as shown in the graphic below.



11. Green ticks should be obtained against each process. If a red cross appears it means that the business rules for the process have not been achieved. These areas should be revisited, and the appropriate adjustments made. The option to **Perform Close** is not available if there are any red crosses. Click **Cancel** to exit or click **Report** to find out the reasons for failure. Once all the green ticks are in place click **Perform Close**. Please note rebuilding summary totals can take several minutes to complete.
12. Click **Yes** in response to the following prompt:



The year will then be preliminary closed, and it will say closed – not finalised. Click **Save**.

Define Years

Year	State	Periods	Lowest Open	Archived
	Started	12	1	No
	Closed - Not Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No

Buttons: Open Year, Preliminary Close, Final Close

Period	Start Date	Name	Status
1	Sep	Closed	
2	Oct	Closed	
3	Nov	Closed	
4	Dec	Closed	
5	Jan	Closed	
6	Feb	Closed	
7	Mar	Closed	
8	Apr	Closed	
9	May	Closed	
10	Jun	Closed	

Options:

- ☐ Check Spending Against Cost Centre
- ☒ Order Book Open
- ☐ Order Book Open - Restricted Users
- ☐ Record Deliveries

Next Year Begins: [Date Picker]

Buttons: Save, Cancel, Help

Step by Step – The New Year

1. Go into the new financial year.

Check the results of the first year end, for example orders/invoices carried forward into the new year.

2. The opening balances should be checked to reflect the financial statements. Select **Focus | General Ledger | Journal Review** to display a list of journals.
3. Locate the **Opening Balance Journal** (it will have a period of **00**).

Journal Review

Looking for: [Text Box]

Sequence: ☒ Journal Voucher No., ☐ Narrative, ☐ Date, ☐ Period, ☐ User ID, ☐ Type

View: ☒ All Journals, ☐ All, ☐ All Periods

J.V. No.	Type	Date	Pd.	User ID	Narrative	Amount
000001	GL	00-00-00	00	US1	Opening balance journal	

4. Double-click this journal to display the lines of the journal.

Journal Review

Period: 0 O/B Date: [Date] Debit: [Amount] Credit: [Amount]

Type: GL User: US1 Journal No.: [Number]

Narrative: Opening balance journal

Led. Code	Fd	Ledger Description	Cost Code	Cost Centre	Debit	Credit
RE01	01	Retained Earnings				
RE01	01	Retained Earnings				
9020		VAT Standard Rate 20%				
BK01		Bank Account				
CRED		Creditor Control				
DC01		Debtor Control				
PC01		Petty Cash				

The entries on this journal are balance sheet ledger codes and reflect the balances rolled forward on the bank account(s), for example, petty cash creditor/debtor control accounts, VAT, and the retained earnings balance.

These figures can also be obtained from the **Trial Balance Report** by selecting **Reports | General Ledger | Trial Balance | Summary Trial Balance | By Ledger Code**. Select **Period 1** and do not select a fund. The **Opening Balance** column will contain these balances against the appropriate ledger codes.

It is likely that there will be a number of retained earnings codes reflecting each of the funds which have been set up, for example restricted, unrestricted and restricted fixed asset funds.

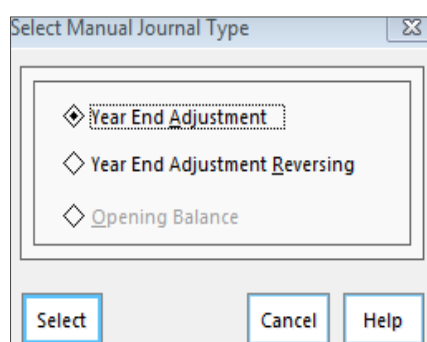
After the Preliminary Year End

After the preliminary closure has been run FMS moves into period thirteen. It may still be necessary to adjust the accounts in the old year.

Each preliminary produces journals to update the balances in the new year and adjust the balance sheet codes accordingly.

Step by Step – Undertaking Year End Adjustments

1. Ensure that you are in the old financial year.
2. Select **Focus | General Ledger | Manual Journal Processing**.
3. Click **+** to add a journal, as displayed in the graphic below.



Year-end adjustment journals enable staff members to post entries against income and expenditure codes as well as bank account(s), payroll control, asset, and liability codes. It is not possible to post against VAT, petty cash, creditor/debtor control accounts or retained earnings codes.

The year-end adjustment reversing journal will enable you to complete reversing journals between period thirteen of the old year and the new year.

The ability to add an opening balance journal is for academies only and will appear only at the end of their first year. In following years, it will be unavailable.

Cross Year Symbols

Any orders or invoices transferred to the new year will appear with cross year symbols. This helps when transactions are cancelled in the new year. The symbols used are as follows:

Old Year

- T – indicates that the listed item has been transferred to the new year and requires additional processing.
- TS – indicates that a copy of the item has been transferred to the new year as a supporting item.
- TR – indicates that a transaction has been copied in support, then cancelled.

New Year

- F – indicates that the listed item has been transferred from the old year and requires further processing.
 - FS – indicates the item has been transferred from the old year as a supporting item.
- FR – indicates a transaction has been copied from the old year in support and the item it was supporting has been cancelled. Further processing may be required.

08 – Reversing Journals

Chapter Introduction

This chapter explains how to deal with year-end creditors/debtors as reversing journals. This enables you to show expenditure in the old year but make the payment in the new year. This type of journal could also be used for prepayments and accruals.

Below is a general definition of accruals and prepayments. You may wish to seek advice from the accountants regarding the appropriate use.

Accruals – these are expenses for which invoices have not been received at the end of an accounting period. These outstanding amounts are not strictly creditors because invoices have not been received. In order for the accounts to be consistent these costs must be included on the I&E account for the period. The total amounts accrued will appear under accruals in the balance sheet.

Prepayments – a company may pay for goods or services before they have been received. Any amounts that have been paid for goods and services not received by the end of an accounting period are shown in the balance sheet as prepayments. These amounts will not be shown as costs in the I&E account. When the goods or services are received the amounts will be passed through the I&E account and deducted from the prepayments on the balance sheet. This is necessary to accrue the costs involved in the correct accounting period.

Creating Entries Using Reversing Journals

If at the end of the year you need to enter an accrual for the fourth quarter telephone bill, this would be entered as a year-end adjustment reversing journal. The use of reversing journals in this instance will debit the ledger code/cost centre combination in the old year and credit the same ledger code/cost centre combination in the new year.

The following table demonstrates the effect of a reversing journal:

Old Year – Period 13

Ledger code	Cost centre	Debit	Credit
Telephones	Admin	350.00	
Accruals			350.00

When the journal is created the period that defaults for the journal to be reversed is period one in the new year, but any other open periods can be selected.

New Year – Period 1

Ledger code	Cost centre	Debit	Credit
Telephones	Admin		350.00
Accruals		350.00	

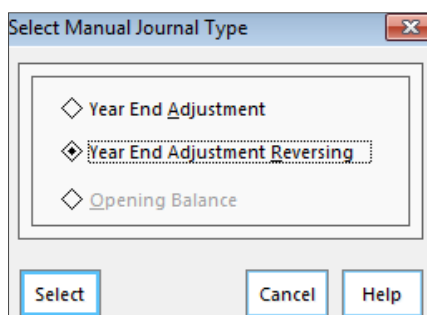
The entries can also be made using normal journals, one journal in the old year in period thirteen and the opposite entries in the new year in the appropriate month. Staff would pay for the invoice in the new year when it is received.

Step by Step – Year End Telephone Accrual

Ensure that you are in the financial year you are trying to close.

Enter a telephone accrual of £350.00.

1. Select **Focus | General ledger | Manual Journal Processing**.
2. Click **Add Record** to add a journal.



3. Select **Year End Adjustment Reversing** and click **OK**.
4. Type **Telephone Bill Accrual** in the **Narrative** field.
5. Ensure that the reversal period is **01**.
6. Click the green + to add a journal line.
7. Type **5003 – Telephones** in the **Ledger Code** field.
8. Type **01 – General Annual Grant** in the **Fund Code** field.
9. Type **300 – Admin** in the **Cost Centre** field.
10. Type 350.00 in the **Amount** field.
11. Ensure that **Debit** is selected.
12. Click **Update & Next Line**.

13. For the purposes of this training course we will use the sundry creditors ledger code (SUNC). Staff at the school may have a separate code for accruals. Type **SUNC – Sundry Creditors** in the **Ledger Code** field.
14. Type **350.00** in the **Amount** field.
15. Ensure that **Credit** is selected.
16. Click **Update & Close**.

Manual Journal Processing

Year: [] Period: 13 Y/E []

Narrative: Telephones

Reversal Year: [] Period: 1 Sep []

JOURNAL LINES

Ledger	Fund	Description	C/Centre	Description	Debit	Credit
5003	01	Telephones	300	Admin	350.00	0.00
SUNC		Sundry Creditors			0.00	350.00

Narrative: Telephones

Balance: *Balanced* Total Debits: [] Total Credits: []

17. Click **Save** and **Post Journal** to post.

Activity – Complete the Remaining Accruals

The accountants require another accrual to be entered. Using the step by step instructions complete the accruals for the following.

An accrual for Accountant's Audit Services for the financial year your are closing:

Ledger code	Fund	Cost centre	Debit	Credit
5021	01	301	9250.00	
SUNC				9250.00

Step by Step – Checking the Journals in the New Year

Once these journals are posted they can be viewed in the old year and the new year. The old year will be the journal entered. The new year will be the reversal of that journal.

Ensure that you are in the new financial year. You will get a message about journals and repeating the preliminary close.

- 1. Select **Focus | General Ledger | Journal Review**.
- 2. The accruals entered previously will appear in the list. Double-click the telephones accrual to review the entries.

Journal Review

Period1 SepDate2023-09-01DebitCredit

TypeGLUserUS1Journal No.

NarrativeTelephones

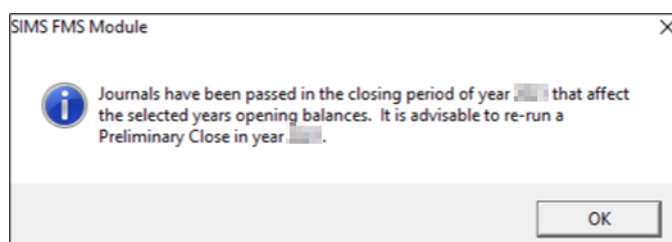
Led. Code	Fd	Ledger Description	Cost Code	Cost Centre	Debit	Credit
5003	01	Telephones	300	Admin		
SUNC		Sundry Creditors				

09 – Second Preliminary Close Down

Chapter Introduction

This chapter covers the process involved in completing a second preliminary close down of the financial year. This is necessary as year-end adjustment journals have been posted in the old year.

If you do not do another preliminary close down after transactions are entered in the old year such as year-end adjustments, a message will be displayed similar to that shown in the graphic below.

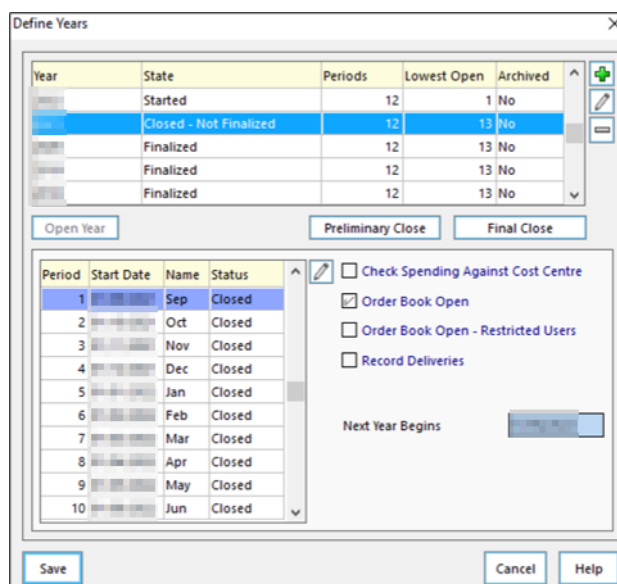


Step by Step – Second Preliminary Closure

NOTE: Before undertaking any preliminary close in school it is advisable to ensure a suitable backup is made of the FMS data. This can be completed by selecting **Tools | FMS Transaction Backup**. Click Yes to complete.

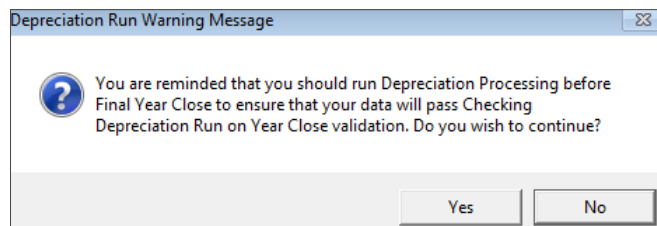
Ensure that you are in the financial year you are trying to close.

1. Select **Tools | Define Financial Years | Define/Edit Years**.

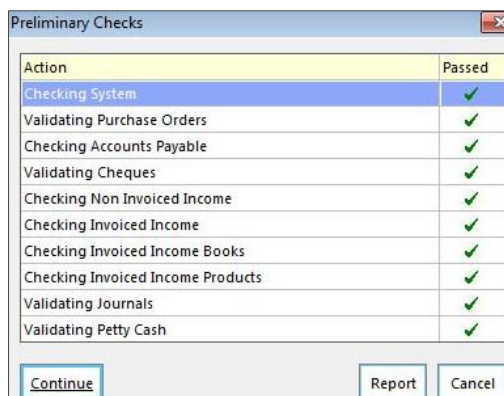


2. Highlight the year you are trying to close and click **Preliminary Close**.

3. A message might appear reminding you to run depreciation before final closedown if asset management has been activated.

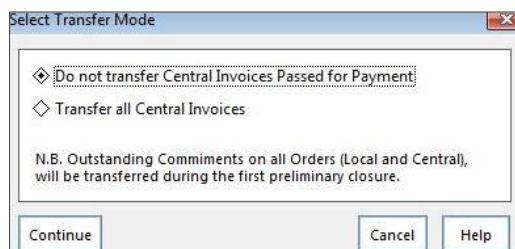


4. Click **Yes**.
5. When all green ticks display, as shown in the graphic below, click **Continue**.

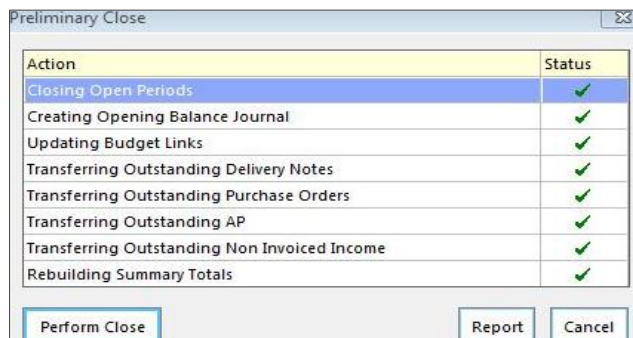


If Central Options is still available, the graphic shown below may display.

NOTE: The Waters Edge FMS data has Central functionality disabled so this will not appear.



6. Select the **Do Not Transfer all Central Invoices** and then click **Continue** to display the **Preliminary Close** screen.



7. Green ticks should be obtained against each process. If a red cross appears it means that the business rules for the process have not been achieved. You will need to revisit these areas and make the appropriate adjustments. If there are any red crosses the option to Perform Close will not be available. Click **Cancel** to exit or click to find out the reasons for failure.
8. When all green ticks are in place click **Perform Close**. Please note that rebuilding summary totals can take several minutes to complete.

The 'Define Years' dialog box contains two main tables and several control buttons.

Year	State	Periods	Lowest Open	Archived
	Started	12	1	No
	Closed - Not Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No

Buttons: Open Year, Preliminary Close, Final Close

Period	Start Date	Name	Status
1	Sep	Closed	
2	Oct	Closed	
3	Nov	Closed	
4	Dec	Closed	
5	Jan	Closed	
6	Feb	Closed	
7	Mar	Closed	
8	Apr	Closed	
9	May	Closed	
10	Jun	Closed	

Options:

- ☐ Check Spending Against Cost Centre
- ☒ Order Book Open
- ☐ Order Book Open - Restricted Users
- ☐ Record Deliveries

Next Year Begins: [Date Picker]

Buttons: Save, Cancel, Help

9. Click **Save** to complete.

Step by Step – The New Year

1. Go into the new financial year.

Check the results of the first year end, for example orders/invoices carried forward into the new year.

2. The opening balances should be checked to reflect the financial statements. Select **Focus | General Ledger | Journal Review** to display a list of journals.
3. Locate the latest **Opening Balance** journal (it will have a period of **00**). There may now be several opening balance journals as any previous ones will be reversed. Locate the most recent one, it will have the highest journal number.

The 'Journal Review' window shows search filters and a table of journals.

Looking for: [Empty field]

Sequence:

- ☒ Journal Voucher No.
- ☐ Narrative
- ☐ Date
- ☐ Period
- ☐ User ID
- ☐ Type

View:

- All Journals
- All
- All Periods

J.V. No.	Type	Date	Pd.	User ID	Narrative	Amount
00	GL	2023-09-01	00	US1	Opening balance journal	
01	GL	2023-09-01	01	US1	Telephones	
01	GL	2023-09-01	01	US1	Audit	
00	GL	2023-09-01	00	US1	Reversal of previous Opening Balance Journal	
00	GL	2023-09-01	00	US1	Opening balance journal	

4. Double-click this journal to display the lines of the journal.

Journal Review						
Period	0	O/B	Date		Debit	Credit
Type	GL		User	US1	Journal No.	
Narrative	Opening balance journal					
Led. Code	Fd	Ledger Description	Cost Code	Cost Centre	Debit	Credit
RE01	01	Retained Earnings				11,000.00
RE01	01	Retained Earnings				135,000.00
9020		VAT Standard Rate 20%			2,000.00	
BK01		Bank Account			135,000.00	
CRED		Creditor Control				135,000.00
DC01		Debtor Control			2,000.00	
PC01		Petty Cash			135,000.00	
SUNC		Sundry Creditors				135,000.00

5. If all the activities have been undertaken as instructed the balance on the retained earnings account for fund 01 should be £130,000.00 (this is the total of the two entries against RE01-01, £135,000-£5,000).

10 – Funds and Retained Earnings

Chapter Introduction

This chapter explores the concept of funds and retained earnings. Most academies will have their system configured to use retained earnings. The retained earnings code is automatically attached to each fund created on the system. Using funds and retained earnings allows for easier analysis of the accounts. The retained earnings figure for each fund shows the balance brought forward from the previous year relating to the specific fund. This is particularly useful in providing information for the year end accounts.

Each academy will have different requirements for funds and should seek advice from their accountants on funds required.

The Academies accounts return information can be found via the following link:

<https://www.gov.uk/guidance/academies-financial-returns>

As academies are exempt charities and use the charity SORP (statement of recommended practice) as the basis of their financial framework it would be normal practice to report on the SOFA (statement of financial activities) the following funds:

- Unrestricted General Funds
- Restricted General Funds
- Restricted Fixed Assets
- Endowment Funds (if applicable)

It is often common practice to have an additional fund to reflect the Pension Reserve (although technically this is a Restricted Fund).

On your system, to identify which funds you have setup, ensure you are in the financial year you are trying to close. Select **Tools | General Ledger Setup | tab 1: Fund Codes** to display a list of funds. These funds, shown in the graphic, are training dataset examples of what funds may be required (they do not necessarily reflect what is required by an individual academy).

Code	Ledger	Description	LA Code
01	FD01	General Annual Grant	LA
02	FD02	Govt Grants	

These funds can be attached to any income or expenditure ledger code. The ledger codes can then be attached to cost centres. Once linked they can be used to record income and expenditure against the appropriate fund. At the end of the year the income and expenditure associated with each fund is added up and the balance put into the retained earnings code associated with each fund. This balance and the balance from the previous financial year will be combined and transferred into the new financial year.

Identifying Retained Earnings Balances

The retained earnings balances can be identified in a number of ways.

- Opening balance journal
- Balances/Reserves report
- Trial balance reports.

Step by Step – Opening Balance Journal

The opening balance journal created as part of the year end process will display the values of the retained earnings.

1. Ensure you are in new financial year.
2. Select **Focus | General Ledger | Journal Review** to display a list of journals.
3. Locate the **Opening Balance** journal (it will have a period of **00**). There may now be several opening balance journals as any previous ones will be reversed. Locate the most recent one; it will have the highest journal number.

J.V. No.	Type	Date	Pd.	User ID	Narrative	Amount
	GL		00	US1	Opening balance journal	
	GL		01	US1	Telephones	
	GL		01	US1	Audit	
	GL		00	US1	Reversal of previous Opening Balance Journal	
	GL		00	US1	Opening balance journal	

4. Double-click this journal to display the lines of the journal.

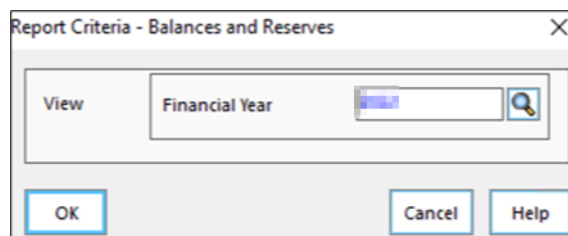
Led. Code	Fd	Ledger Description	Cost Code	Cost Centre	Debit	Credit
RE01	01	Retained Earnings				
RE01	01	Retained Earnings				
9020		VAT Standard Rate 20%				
BK01		Bank Account				
CRED		Creditor Control				
DC01		Debtor Control				
PC01		Petty Cash				
SUNC		Sundry Creditors				

- Depending on the transactions undertaken during the previous financial year, there may be one or two entries for each retained earnings code.

Step by Step – Balances/Reserves Report

The balances/reserves report will display the total value of all of the retained earnings.

- Select **Reports | General Ledger | Balances/Reserves** to display the report criteria screen.



The dialog box titled "Report Criteria - Balances and Reserves" contains a "View" button, a "Financial Year" dropdown menu, and a search icon. At the bottom are "OK", "Cancel", and "Help" buttons.

- Click **OK** to produce the report, as shown in the graphic displayed below. A report similar to below will appear.

Selection : Financial Year - <input type="text"/> User : US1 Establishment : Waters Edge School			
Source	Current Balance	Commitment	Projected Balance
01 General Annual Grant			17
02 Govt Grants			0
Bank Account			0
Petty Cash			0
Debtor Control			0
Other Assets			0
Input VAT			0
Creditor Control			0
Payroll			0
Liability Short			0
Output VAT			0
Capital			0
Retained Earnings-01			0
Retained Earnings-02			0.00
Totals			

Step by Step – Trial Balance Reports

There are a number of trial balance reports that will give this information. This is one example:

- Select **Reports | General Ledger | Trial Balance | Ledger Code Balances** to display the report criteria screen.
- Select **1** as the **Period**.

3. Select **RE01** as the **Ledger Code**.

Report Criteria - Trial Balance by Ledger Code Balances

View

Financial Year

Period

Ledger Code

4. Click **OK** to produce the report.

Trial Balance: Ledger Code Balances

Selection:
 Trial Balance - Ledger Code Balances
 Financial Year -
 Period - Sep
 Ledger Code(s) - RE01
 User: US1 Establishment: Waters Edge School

<u>Ledger Code</u>	<u>Description</u>	<u>Open Bal</u>	<u>Debit</u>	<u>Credit</u>	<u>Close Bal</u>
RE01	Retained Earnings	<input type="text"/> CR	0.00	0.00	<input type="text"/> CR
RE01	Retained Earnings	0.00	0.00	0.00	0.00
Grand Total of all Ledger Codes		<input type="text"/> CR	<u>0.00</u>	<u>0.00</u>	<input type="text"/> CR

This report shows the brought forward figure on each of the retained earnings funds. The order reflected by the number associated with each fund.

Step by Step – Trial Balance by I&E and Balance Sheet

This is an enhancement to the existing Summary Trial Balance by Ledger Code. The layout is designed to split into an Income & Expenditure section and a Balance Sheet section. There is a summary and detailed version.

1. Change to the financial year that is being closed.
2. Select **Reports | General Ledger | Trial Balance | Trial Balance by I&E and Balance Sheet | Summary** to display the report criteria screen.
3. Select **13** as the **Period** and click **OK**. A report similar to below will appear.

Trial Balance IE Summary				
Selection :				
Financial Year : 2022				
Period : 13				
Fund(s) : All				
User : US1				
Establishment : Waters Edge School				
	Opening Year Balance	Current Period Movement	Year-to-date Balance	Year-to-date Budget
INCOME				
IN Income	0.00	0.00	-1,646,865.74	-1,644,250.00
TOTAL INCOME	0.00	0.00	-1,646,865.74	-1,644,250.00
EXPENSES				
ES Salary Expense	0.00	0.00	1,470,013.68	1,466,903.00
EX Expense	0.00	9,800.00	171,852.06	307,350.00
TOTAL EXPENSE	0.00	9,800.00	1,641,865.74	1,774,253.00
TOTAL SURPLUS/DEFICIT	0.00	9,800.00	-5,000.00	130,003.00
ASSETS				
AO Assets	0.00	0.00	0.00	0.00
BK Bank	143,981.00	0.00	168,980.00	0.00
DC Debtor Control	1,000.00	0.00	1,100.00	0.00
FC Fund Control	0.00	0.00	0.00	0.00
PC Petty Cash	100.00	0.00	100.00	0.00
VI Vat Input	6,000.00	0.00	7,640.00	0.00
TOTAL ASSETS	151,081.00	0.00	177,820.00	0.00
LIABILITIES				
CC Creditor Control	-12,331.00	0.00	-33,220.00	0.00
FD Fund	0.00	0.00	0.00	0.00
LS Liabilities	-8,750.00	-8,800.00	-8,800.00	0.00
PY Payroll Control	0.00	0.00	0.00	0.00
RE Retained Earnings	-130,000.00	0.00	-130,000.00	0.00
VO VAT Output	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	-151,081.00	-8,800.00	-177,820.00	0.00
TOTAL BALANCE SHEET	0.00	-8,800.00	0.00	0.00
TOTAL TRIAL BALANCE	0.00	0.00	0.00	0.00
Run By : US1				
1 of 1				

The detailed version of the report displays each ledger code within the ledger type, a sample follows.

Trial Balance IE Detail

Selection :

Financial Year : 2019

Period : 13

Fund(s) : All

User : US1

Establishment : Waters Edge School

		Opening Year Balance	Current Period Movement	Year-to-date Balance	Year-to-date Budget
INCOME					
IN	Income				
0100-01	School Meals Income	0.00	0.00	0.00	0.00
0142-01	Lettings	0.00	0.00	0.00	0.00
0151-01	Donations	0.00	0.00	0.00	0.00
0152-01	Bank Interest	0.00	0.00	0.00	0.00
0154-01	School Trips Income	0.00	0.00	0.00	0.00
0156-01	Telephone Call Income	0.00	0.00	0.00	0.00
0157-01	Misc Income	0.00	0.00	0.00	0.00
0200-01	School Budget Share Funding	0.00	0.00	-1,646,865.74	-1,644,250.00
0250-01	Pupil Premium Funding	0.00	0.00	0.00	0.00
0260-01	Insurance Top Up	0.00	0.00	0.00	0.00
0270-01	PE & Sports Grant	0.00	0.00	0.00	0.00
0270-02	PE & Sports Grant	0.00	0.00	0.00	0.00
0280-01	Other DfE Grants	0.00	0.00	0.00	0.00
0290-01	LA - SEN	0.00	0.00	0.00	0.00
TOTAL INCOME		0.00	0.00	-1,646,865.74	-1,644,250.00

EXPENSES

ES	Salary Expense				
1101-01	Teachers Pay	0.00	0.00	0.00	0.00
1102-01	Teachers NI	0.00	0.00	0.00	0.00
1103-01	Teachers Supn	0.00	0.00	0.00	0.00

Transferring Between Different Retained Earnings

In FMS it is not possible to directly access the retained earnings codes. If the brought forward balances are incorrectly distributed across the retained earnings codes, this would suggest that the original coding of the transaction in the previous year was against the wrong ledger code/fund combination.

A year end adjustment (to correct the original coding) would normally need to be completed to resolve this. Often this would be indicated by the auditors/accountants as part of the production of year end accounts.

For example: In the financial year you are trying to close a school has coded £100 PE grant income money against the PE grant income ledger code and fund 01 for general annual grant. This would have the effect of increasing the brought forward figure into the new financial year, the retained earnings code for fund 01, by £100. When the year-end accounts are prepared the accountants decide that this should be classed as Govt Grants (fund 02). A year end adjustment journal needs to be completed to recode the PE Grant Income from fund 01 to the PE Grant Income code attached to fund 02.

The entries of the journal would be:

Ledger Code	Fund	Cost Centre	Debit	Credit
0270	01	910	100.00	
0270	02	910		100.00

The journal, if created, would look as follows:

Year: Period: 13 Y/E

Narrative:

JOURNAL LINES

Ledger	Fund	Description	C/Centre	Description	Debit	Credit
0270	01	PE & Sports Grant	910	Other Government Grants	100.00	0.00
0270	02	PE & Sports Grant	910	Other Government Grants	0.00	100.00

Narrative:

Balance: Total Debits: Total Credits:

11 – Cash Flow Reports

Chapter Introduction

This chapter covers the cash flow reports that academies may find useful. These are the summary and detailed cash flow reports and the budget variance cash flow report.

NOTE: Ensure that you are in the new financial year.

Cash Flow Report

The cash flow reports are designed to assist the finance department in predicting future cash amounts in their bank accounts. The reports are run for the current period and predict over three months. The report draws upon data already entered into FMS or entered in the cash flow report criteria screen. There are two versions providing the same information in summary or detailed format.

Step by Step – Running the Summary Cash Flow Report

1. Ensure you are in the new financial year. Select **Reports | General Ledger | Bank | Cash Flow Report** to display the report criteria screen.
2. Select **Summary Report** check box.
3. If salaries have been posted for the current period, select the **Salaries Processed in Current Period** tick box.

Bank Code	Bank Account Description
BK01	Bank Account

Ledger Code-Fund	Ledger Code Description	Budget	Actual	Residual	To Be Received	Outstanding
0200-01	School Budget Share Func		0.00		0.00	
0250-01	Pupil Premium Funding		0.00		0.00	

4. Click the **magnifying glass** to select which bank account(s) you wish to report on.
5. Income codes will appear if budget, or actual figures, are associated with them. To display other income codes, select the **Display Income Lines with Zero Balance** tick box.

6. Click **OK** to produce the report. On the example report shown below, budgets were entered in an earlier chapter for one of the income cost centres so the prediction of income due by each month is based upon the budgeted profile and shows a 3 month profile with a September system date. The actual system date will determine what months are displayed on the report.

Cash Flow Summary Report

As of :

Selection :

Financial Year :

Periods Covered : Sep to Nov

User : US1

Establishment : Waters Edge School

	2022 Sep	2022 Oct	2022 Nov
Bank Accounts	168,980.00	239,052.00	342,344.00
Unpaid AP Transactions	-33,220.00	0.00	0.00
Recurring Expenditure	0.00	0.00	0.00
Salary Expenditure	0.00	0.00	0.00
Income	103,292.00	103,292.00	103,292.00
Net Cash Amount	239,052.00	342,344.00	445,636.00
Outstanding Accounts Receivable	1,100.00		
Purchase Orders	-1,500.00		
VAT Balance	7,640.00		

Budget Variation Report

This report displays a twelve-month financial year report, showing the monetary change predicted by the current profiled budget. This will enable you to identify future periods where you may be short of cash.

Step by Step – Running the Budget Variation Report

1. Select **Reports | General Ledger | Bank | Budget Variation Report** to display the report criteria screen.

Cash Flow Budget Report Criteria

View

Financial Year

☒ Show Actuals for past Periods

Opening Cash Balance

Period From

OK

Cancel

Help

2. Enter **1** in the **Period From** field.
3. Click **OK** to produce the report. On the example report shown below, budgets were entered in an earlier chapter for one of the income cost centres and one of the curriculum expenditure cost centres, so the prediction of income and expenditure due by each month is based upon the budgeted profile.

Cash Flow Budget Report					
Selection : Financial Year : <input type="text"/> Include Actuals for past Financial Periods - Yes Period From - 1 September					
User: US1 Establishment: Waters Edge School					
	Opening Balance	Income	Salaries	Expenditure	Projected Balance
September	168,980.00	103,292.00	0.00	-140.00	272,132.00
October	272,132.00	103,292.00	0.00	-160.00	375,264.00
November	375,264.00	103,292.00	0.00	-160.00	478,396.00
December	478,396.00	103,292.00	0.00	-120.00	581,568.00
January	581,568.00	103,292.00	0.00	-200.00	684,660.00
February	684,660.00	103,292.00	0.00	-200.00	787,752.00
March	787,752.00	103,292.00	0.00	-200.00	890,844.00
April	890,844.00	103,292.00	0.00	-120.00	994,016.00
May	994,016.00	103,292.00	0.00	-240.00	1,097,068.00
June	1,097,068.00	103,292.00	0.00	-200.00	1,200,160.00
July	1,200,160.00	103,292.00	0.00	-200.00	1,303,252.00
August	1,303,252.00	103,788.00	0.00	-60.00	1,406,980.00

12 – ESFA mappings and report

Chapter Introduction

This chapter shows you how to check the DfE number and companies house details, shows you how to map ledger codes to the ESFA headings. It will show you how to amend a mapping. There is a mapping check list that helps with this process. It shows you how to produce the ESFA I and E Trial Balance report and make comparisons with the I and E Trial Balance report ready for the ESFA mapped figures to be uploaded to the FMS Hub for checking and uploading to the Accounts return at the DfE.

Step by Step – DfE and Companies house details Check

1. Select **Tools | Establishment Details | tab 1: Basic details.**

Check that the school and LA codes are correct. If they are incorrect contact support for guidance on how to amend. Insert the Companies House No. and VAT Registration No. if applicable.

2. Click **Save**

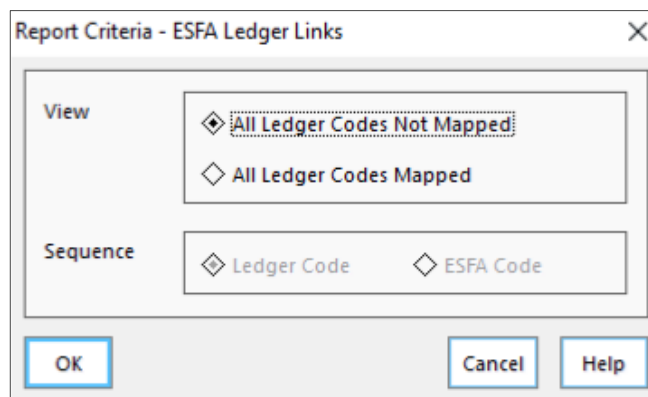
1: Basic Details		2: Logo		3: System Parameters		4: eProcurement	
Name	Waters Edge School						
Code	2999	Companies House No.					
LA Code	823	VAT Registration No.					
Borough	Eastshire						
Payable to	Water Edge School						

Step by Step – ESFA Mappings Check

Before continuing it is imperative to check the ESFA mappings to ensure they are correct. Guidance may be needed from your accountant or from the Academy trust as to what the mappings should be. The mappings undertaken in the training data are examples only and not guidance as to actual mappings. Ensure that you are in the financial year you are trying to close.

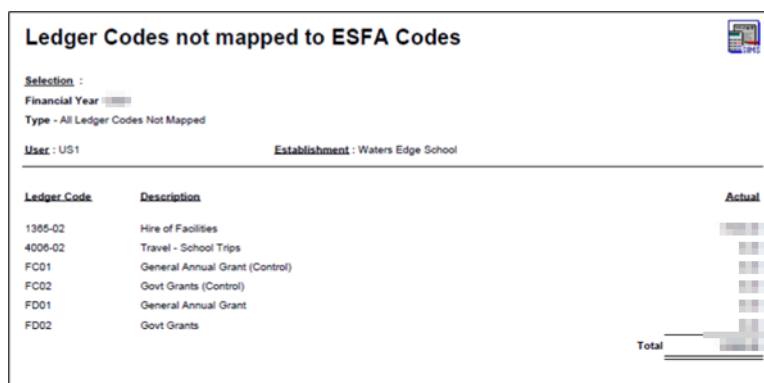
1. Select **Tools | General Ledger Setup** then select tab 10: **ESFA Mappings**. (If the tab is greyed out you will need to obtain the activation licence patch for the ESFA mapping tool. Request from the customer portal or your usual SIMS support team)
2. Click **Validation Report**.

3. Make sure the **All Ledger Codes Not Mapped** radio button is selected as shown below.



The dialog box titled "Report Criteria - ESFA Ledger Links" contains two sections. The "View" section has two radio buttons: "All Ledger Codes Not Mapped" (which is selected) and "All Ledger Codes Mapped". The "Sequence" section has two radio buttons: "Ledger Code" and "ESFA Code". At the bottom are "OK", "Cancel", and "Help" buttons.

4. Click **OK** to produce the list of unmapped ledger codes.
5. Print this report and check the missing ledger codes.



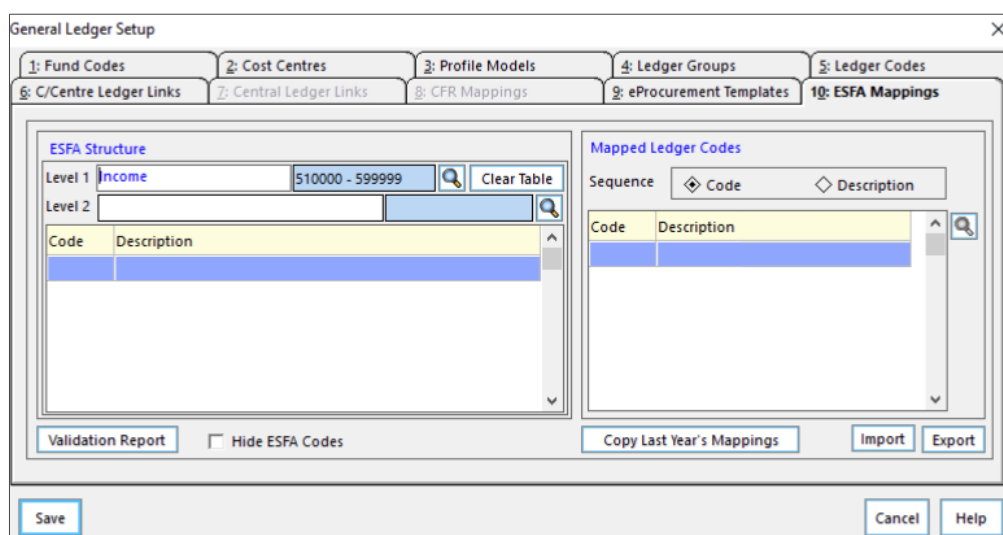
The report titled "Ledger Codes not mapped to ESFA Codes" shows the following details:

- Selection:** Financial Year: [blank], Type: All Ledger Codes Not Mapped, User: US1, Establishment: Waters Edge School

Ledger Code	Description	Actual
1365-02	Hire of Facilities	
4005-02	Travel - School Trips	
FC01	General Annual Grant (Control)	
FC02	Govt Grants (Control)	
FD01	General Annual Grant	
FD02	Govt Grants	
Total		

6. Using the list of unmapped ledger codes decide what areas of the ESFA report they belong to and map them to the necessary ESFA lines. In the training data the majority of the codes have been pre-mapped. If a code on the unmapped report has values against it, care must be taken if you decide not to map it. Again seek guidance from accountants.
7. Select **Tools | General Ledger Setup**, and then select tab 10: **ESFA Mappings**.

It will default to the Income type 510000–599999 type lines as shown below.



The "General Ledger Setup" window shows the "ESFA Mappings" tab. It includes a "Validation Report" button, a "Hide ESFA Codes" checkbox, and buttons for "Copy Last Year's Mappings", "Import", and "Export".

ESFA Structure

Level 1: Income 510000 - 599999 [Clear Table]

Level 2: [blank] [Clear Table]

Code	Description

Mapped Ledger Codes

Sequence: [Code] [Description]

Code	Description

Buttons at the bottom: Save, Cancel, Help.

8. In the Level 1 browser, locate the Level 1: Premises Costs (710000–799999) line. In the Level 2 browser, locate the Level 2 Other Premises Costs (760000–779999) line. Locate the ESFA row 760700 Other Occupancy costs and click the Search icon on the right-hand table Mapped Ledger Codes.

The 'General Ledger Setup' dialog box is shown with the '10: ESFA Mappings' tab selected. The 'ESFA Structure' section displays a hierarchy: Level 1 'Premises Costs' (710000 - 799999) and Level 2 'Other Premises Costs' (760000 - 779999). Below this, a table lists ESFA codes and descriptions, with '760700 Other Occupancy costs' selected. The 'Mapped Ledger Codes' section on the right shows a table with '1365-01 Hire of Facilities' selected. Buttons at the bottom include 'Save', 'Cancel', 'Help', 'Validation Report', 'Hide ESFA Codes', 'Copy Last Year's Mappings', 'Import', and 'Export'.

9. Map the missing code 1365-02 Hire of Facilities using the right arrow icon to take it over to the Chosen Codes table, as shown below.



Search



Right Arrow

The 'Choose Ledger Codes for ESFA Code 760700 - Other Occupancy costs' dialog box is shown. It has two main sections: 'Available Codes' on the left and 'Chosen Codes' on the right. The 'Available Codes' section includes filters for Fund Code, Ledger Group, and Ledger Type (B/S, EX/ES, IN). A table lists available codes, with '4006-02 Travel - School Trips' selected. The 'Chosen Codes' section shows a table with '1365-01 Hire of Facilities' and '1365-02 Hire of Facilities' listed. Between the tables are four arrow icons for moving codes. At the bottom are 'Update', 'Cancel', and 'Help' buttons.

10. Click **Update** to save and **Save** to exit.
11. Map the ledger code 4006-02 to the following ESFA row School Trips 830100

Ledger Code	ESFA Heading(s)
4006-02	Level 1 Supplies & Services Level 2 School Trips ESFA row 830100 School Trips

Repeat Steps 1–5 to produce the Not mapped ledger code list.

Ledger Codes not mapped to ESFA Codes

Selection :
 Financial Year - 2020
 Type - All Ledger Codes Not Mapped
 User : US1 Establishment : Waters Edge School

Ledger Code	Description	Actual
FC01	General Annual Grant (Control)	10.00
FC02	Govt Grants (Control)	10.00
FD01	General Annual Grant	10.00
FD02	Govt Grants	10.00
Total		40.00

In the training data, Fund control codes exist and are not mapped. The control codes for Funds 01 and 02 are system generated codes : FD01, FD02, FC01 and FC02. Careful planning is needed on whether or not these codes should be mapped. If a Retained Earnings code has been defined and activated in FMS, the carry forward balances in new year, appear on the Retained Earnings fund codes and these codes should be mapped to the appropriate row of the ESFA mapping tool. Depending on when the retained earnings codes were activated, if the FD and FC type codes were mapped in addition to the RE type codes, there is a possibility of duplicating the accounts entries.

Step by Step – Amend ESFA mappings

Before continuing it is imperative to double check the ESFA mappings to ensure they are correct. The mappings undertaken in the training data are examples only and not guidance as to actual mappings. Ensure that you are in the financial year you are trying to close.

1. Select Tools | General Ledger Setup then select tab 10: ESFA Mappings.
2. Click **Validation Report**.
3. Make sure the **All Ledger Codes Mapped** radio button is selected as shown below.

Report Criteria - ESFA Ledger Links

View

☐ All Ledger Codes Not Mapped

☒ All Ledger Codes Mapped

Sequence

☒ Ledger Code ☐ ESFA Code

OK Cancel Help

4. Click **OK** to produce the list of mapped ledger codes. A portion of the report is shown.

Ledger Codes mapped to ESFA Codes - By Ledger Code				
<div> <div>Selection :</div> <div>Financial Year - </div> <div>Type - All Ledger Codes Mapped</div> <div>Sequence - Ledger Code</div> <div>User : US1</div> <div>Establishment : Waters Edge School</div> </div>				
Ledger Type	Ledger Code	Ledger Description	ESFA Code	ESFA Description
IN	0100-01	School Meals Income	525300	Catering income from pupils
IN	0142-01	Lettings	530100	Hire of facilities
IN	0151-01	Donations	525200	Non-govt revenue
IN	0152-01	Bank Interest	525200	Non-govt revenue
IN	0154-01	School Trips Income	525400	Educational trips & visits
IN	0156-01	Telephone Call Income	525200	Non-govt revenue
IN	0157-01	Misc Income	525200	Non-govt revenue
IN	0200-01	School Budget Share Funding	510100	GAG (not stud supp and trust grants)
IN	0250-01	Pupil Premium Funding	510200	Pupil Premium
IN	0260-01	Insurance Top Up	510300	Insurance top up
IN	0270-01	PE & Sports Grant	510400	PE & Sports grant
IN	0270-02	PE & Sports Grant	510400	PE & Sports grant
IN	0280-01	Other DfE Grants	510950	Other DfE revenue grants
IN	0290-01	LA - SEN	520100	LA - SEN
ES	1101-01	Teachers Pay	612100	Wages and salaries
ES	1102-01	Teachers NI	612200	Employers national insurance
ES	1103-01	Teachers Supn	612300	Employers pension contribution
ES	1121-01	Supply Pay	650450	Teachers - short term cover:Wages and salaries
ES	1122-01	Supply NI	650450	Teachers - short term cover:Wages and salaries
ES	1123-01	Supply Supem	650450	Teachers - short term cover:Wages and salaries
ES	1131-01	Leadership Pay	610100	Wages and salaries
ES	1132-01	Leadership NI	610200	Employers national insurance
ES	1133-01	Leadership Super	610300	Employers pension contribution

5. Reviewing the report, one of the codes, 5030-01 is mapped to the wrong row, 730400. The code needs to be unmapped from the current location and remapped to the correct location.

EX	5030-01	Catering Contracts	730400	Caretaking Supplies and Equip
----	---------	--------------------	--------	-------------------------------

6. Locate the code 5030-01 under the current row and unmap.

Choose Ledger Codes for ESFA Code 730400 - Caretaking Supplies and Equip

Available Codes

Fund Code

Looking for

Ledger Group

Ledger Type ☐ B/S ☒ EX/ES ☐ IN

Code	Description

Chosen Codes

Available/Chosen Sequence ☒ Code ☐ Description

Code	Description
5008-01	Catering Provisions
5030-01	Catering Contracts

Update **Cancel** **Help**

7. Select the code in the right hand panel and click the **Left Arrow** to unmap the code, click **Update**.
8. Locate the correct row **850100** and map the code, click **Update**.

Choose Ledger Codes for ESFA Code 850100 - Catering contract

Available Codes

Fund Code

Looking for

Ledger Group

Ledger Type ☐ B/S ☒ EX/ES ☐ IN

Code	Description

Chosen Codes

Available/Chosen Sequence ☒ Code ☐ Description



Code	Description
5030-01	Catering Contracts

Update **Cancel** **Help**





9. Repeat steps 5-7 for the code **5008-01** to map to row **850150** and click **Update**.

Choose Ledger Codes for ESFA Code 850150 - Catering - Food & Drink

Available Codes

Fund Code 
Looking for 
Lledger Type ☐ B/S ☒ EX/ES ☐ IN

Code	Description

Available/Chosen Sequence

☒ Code ☐ Description

Chosen Codes

Code	Description
5008-01	Catering Provisions

10. Click **Save**.

Step by Step – Produce ESFA Trial Balance by I&E and Balance Sheet report

Once the ESFA mappings have been checked a ESFA Trial balance report can be produced to check that the figures that will be uploaded to the FMS hub are correct. Ensure you are in financial year you are trying to close.

1. Select **Reports | Academies Reporting | ESFA Trial Balance by I&E and Balance Sheet**. Select **13**, Click **OK**.

2. A portion of the report is shown. Check the figures for accuracy and recheck the ESFA mappings, if required. Compare the report to the Trial Balance by I&E and Balance Sheet report in FMS.

Selection :					
Financial Year : <input type="text"/> - (ESFA Version <input type="text"/>)					
Period : 13					
User : US1		Establishment : Waters Edge School			
		Opening Year Balance	Current Period Movement	Year-to-date Balance	Year-to-date Budget
INCOME AND EXPENDITURE					
Income					
Income					
510100	GAG (not stud supp and trust grants)	0.00	0.00	-1,646,865.74	-1,644,250.00
510200	Pupil Premium	0.00	0.00	-40,000.00	-40,000.00
510300	Insurance top up	0.00	0.00	0.00	0.00
510400	PE & Sports grant	0.00	0.00	0.00	0.00
510950	Other DfE revenue grants	0.00	0.00	0.00	0.00
520100	LA - SEN	0.00	0.00	-40,000.00	-40,000.00
525200	Non-govt revenue	0.00	0.00	0.00	0.00
525300	Catering income from pupils	0.00	0.00	0.00	0.00
530100	Hire of facilities	0.00	0.00	-40,000.00	-40,000.00
Total Income		0.00	0.00	-1,646,865.74	-1,644,250.00
Expenditure					
Staff Costs					
610100	Leadership - Wages and salaries	0.00	0.00	0.00	0.00
610200	Leadership - Employers national insurance	0.00	0.00	0.00	0.00
610300	Leadership - Employers pension contribution	0.00	0.00	0.00	0.00
612100	Teachers - Wages and salaries	0.00	0.00	0.00	0.00
612200	Teachers - Employers national insurance	0.00	0.00	0.00	0.00
612300	Teachers - Employers pension contribution	0.00	0.00	0.00	0.00

Note: See customer portal for guidance on how to upload the ESFA trial balance figures to the FMS Hub. Counterparties are not covered as part of this course.

13 – Final Close Down

Chapter Introduction

This chapter covers the process involved in completing the final close down of the financial year.

Completion of Financial Statements

Do not attempt to run a final year end until the accountants/auditors have verified this balance. Once a final close down has been completed it is not possible to complete any financial transaction or adjust any balances in that year.

It is advised to complete a preliminary close down just before completing a final close down to ensure that the final opening balances in the new year are as expected.

If the ESFA mapping has been undertaken in previous chapter, the ESFA Trial balance information can be uploaded from FMS to the FMS Hub at any time and then at an appropriate time, in late Autumn, onto the DfE website, once it has opened for the financial year that is being closed. The uploaded file from the FMS Hub, will auto-populate relevant areas of the Accounts Return. For full details of how to upload the information to the FMS Hub and onwards to the DfE, see Customer portal. Note that although ESFA mapping can still be done after a final closedown, no journal adjustments are possible after a final close, so it is recommended that the mappings are undertaken, and ESFA trial balance reports are produced and checked, before a final closedown.

It is good practice to complete a backup before proceeding and to run the year end system check.

Step by Step – Final Close Down

1. Select **Tools | Define Financial Years | Define/Edit Years**.

Year	State	Periods	Lowest Open	Archived
	Started	12	1	No
	Closed - Not Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No

Open Year Preliminary Close Final Close

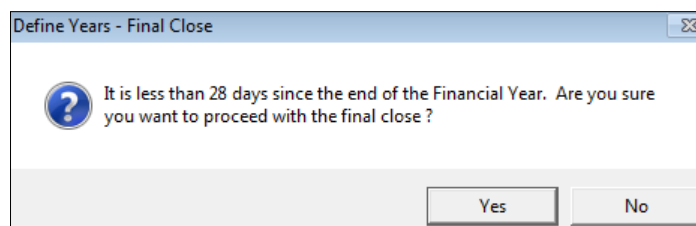
Period	Start Date	Name	Status
1	Sep	Closed	
2	Oct	Closed	
3	Nov	Closed	
4	Dec	Closed	
5	Jan	Closed	
6	Feb	Closed	
7	Mar	Closed	
8	Apr	Closed	
9	May	Closed	
10	Jun	Closed	

☐ Check Spending Against Cost Centre
☒ Order Book Open
☐ Order Book Open - Restricted Users
☐ Record Deliveries

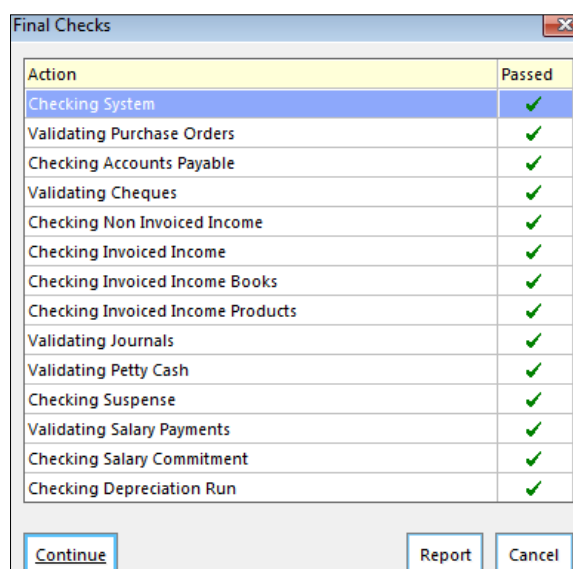
Next Year Begins:

Save Cancel Help

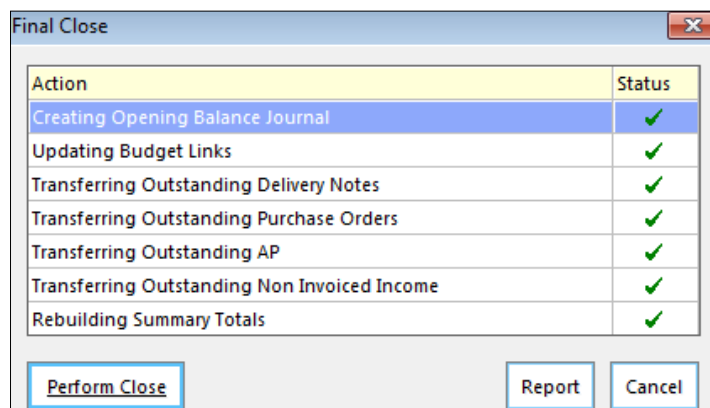
2. Highlight the financial year you are closing and click **Final Close**.
3. If the date is within 28 days of the financial year end a message will be received as shown in the graphic displayed below. For the purposes of this training course click **Yes**.



4. Staff members will be reminded about running the depreciation process, if this has been activated in the FMS system, click **Yes**.
5. The **Final Checks** screen will be displayed. Click **Continue**.



6. Green ticks should be obtained against each process. If a red cross appears it means that the business rules for the process have not been achieved. These areas need to be revisited and the appropriate adjustments made. The option to **Perform Close** will not be available if there are any red crosses. If there are any failures click **Cancel** to exit or click **Report** to find out the reasons for failure. Otherwise click **Perform Close**.



7. Click **Yes** to the warning message to say final close can be completed. The year you are closing will now have a state of **Finalized**.

Define Years

Year	State	Periods	Lowest Open	Archived
	Started	12	1	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No
	Finalized	12	13	No

Open Year Preliminary Close Final Close

Period	Start Date	Name	Status
1		Sep	Closed
2		Oct	Closed
3		Nov	Closed
4		Dec	Closed
5		Jan	Closed
6		Feb	Closed
7		Mar	Closed
8		Apr	Closed
9		May	Closed
10		Jun	Closed

☐ Check Spending Against Cost Centre
☒ Order Book Open
☐ Order Book Open - Restricted Users
☐ Record Deliveries

Next Year Begins

Save Cancel Help

8. Click **Save** to complete.

It is now no longer possible to process any transactions in the finalized year. However, it is still possible to run reports, as necessary.



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