

RM Finance - End of Year Procedures 2010/11

A Pre close down checks

- Process as many outstanding payments as possible before the end of year.
- Pay all receipts into the bank before the end of year.
- Do your final Bank Reconciliation up to 31st March 2011.
- You DO NOT need to cancel your commitments.
- Print out a list of the un-presented cheques and un-credited receipts up to 31st March 2011.
- Go to System Manager – System Setup – Options and check 'Full function year end'. Check also under 'Year End Function' that 'Do not print transactions' is clicked on.
- **Take a back up of the end of year accounts** – Make sure this is saved onto your H drive and not into Safe Backup on the C Drive. Name it EOY 2010-2011.

B Balancing 2010/11 accounts

1. Bank Budgets

To check to see if your bank account budgets balance on the computer you need to compare the Financial Summary Carry Forward figure for Nat West Bank (plus the carry forward figure for Petty Cash) and any VAT that you have claimed, but have not yet received from LBR, e.g.

Carry Forward	£44,209.10
+ Petty Cash	66.50
+ VAT period 12	<u>892.24</u>
=	45,167.84

This sum should be equal to the Balance for all bank account budgets. To find the balance:

- look at the List of Budget Accounts go to Records – bits of paper – list of budget accounts and type Bank in Group and OK.
- The balance figure appears at the bottom right of the last page of budgets.

If there is a discrepancy between these two figures it may be one of many reasons:

- The VAT claimed does not match the VAT expected by the RM Finance program.
- The budget allocation does not match money to bank account total year to date showing on the March Agresso (the only difference should be the b/f petty cash from the beginning of the year).
- The b/f budget allocation at the beginning of the year was incorrect.
- The Journal Transfers from Finance (monthly allocations plus any additional monies) does not match the money to bank account total year to date on Agresso.
- The creditor, debtor, payment in advance, income in advance transactions were entered incorrectly at beginning of the year.
- Some income items have not been paid in against a budget (except for VAT periods 1 to 11).
- Are all expenditures made against bank account bank account transactions (NOT GL)?

2. VAT

To check that the Vat claimed by you is equal to the total of VAT 4, VAT 5, VAT 6 and VAT 7 on the computer:

- a) Go to *Records – VAT table – Print* - select *VAT Transactions – no dates*. Leave tick in *detailed reports* and send to screen. Scroll down to find the totals for each code from VAT 4 to VAT 7.
- b) Scroll down to the Income pages. All you VAT returns will be easy to spot as they will have blank net amounts. Any other Income VAT items need to be deducted from the totals for each code from VAT 4 to VAT 7.
- c) The total VAT income (less any additional VAT 4 or VAT 6 income items) plus what you are still waiting for from March should equal the total for VAT 4 expenditure (less the additional VAT 4 income items). The same will apply to all of the other totals.
- d) If the total does not match the total value for VAT 4 (or any other VAT code), this may indicate that corrections were done after VAT claims were made. To check this you will need to check each individual claim against the computer, (as in a) above), putting in the dates the claims were made for one by one (01.04.10 –30.04.10; 01.05.10 – 31.05.10; 01.06.10 – 30.06.10 etc.).
- e) It may be that you claimed VAT for a transaction that was later reversed or did not claim for a transaction that was entered onto the computer after the claim was sent, but had an earlier date on it. You should also check to see if some items were entered with dates outside of the range of this financial year, e.g. From: no date To: 31.3.11 and From: 01.04.10 To: no date.

3. Bank Budget Allocations – Petty Cash

Did you allocate the brought forward Petty Cash figure from the previous financial year into a bank budget? This amount should have been included in the true brought forward figure. If not, go to *Transactions – Budget – find the brought forward budget* and give it the amount of the brought forward petty cash.

Budget Allocation	
Type	<input checked="" type="radio"/> Expenditure <input type="radio"/> Income
Budget Account	B/F
Date	11 FEB 2011 Period 1
Amount	10.93
Reference	B/F PC
Detail	Brought Forward Petty Cash

4. Virements

Did all of your “additional” journal transfers (excluding monthly transfers) have an accompanying virement for the same amount of money?

- Look on a list of budget amendments (Reports – Transactions – Budget Amendments Only – Gross Totals – Short Report Format – Include Descriptions)
- Compare with a list of journal transfers (Reports – Transactions – Journal Transfers only – Gross Totals – Short Report Format – Include Descriptions – General Ledger (Central Fund) only).

5. True Brought Forward Budget Allocation

Check to see if you allocated the bank brought forward figure as calculated at the beginning of this financial year (Total on Statement less un-presented cheques, less creditors, less income in advance, plus payments in advance, plus debtors, plus un-credited receipts).

- Go into Reports – Transactions reports – Tick budget amendments only, short report format and include descriptions – print to screen.
- If you cannot find out what your TRUE B/F was you can see the figures on the April Agresso transaction list under the section money to bank. Just deduct the monthly transfer from the total for that section to find the TRUE B/F.

6. Journal Transfers

You will need to check all your Journal transfers. Any transfers which are not monthly transfers should have corresponding budget virements (see Virements above).

7. Creditor/Debtor etc transactions

Print to screen a report of expenditure items against General Ledger (central fund) and check the transactions at the beginning of the year. They should be posted against a bank account budget and the total of them should match the total for bank account creditors at the end of the last financial year (as shown on your EOY forms and on April Agresso money to bank account). Same for payments in advance. Income in advance and debtors should show on an income report.

8. Income

Print out a list of income against bank account. All items should have a budget except for VAT 1 to 11 and b/f bank. If any amounts are not posted against a budget you need to reverse them and then re-enter posting against a budget.

9. Checking Payments

You may have paid an amount out of a Bank Account budget but posted it against the GL (e.g. where you have an advertising budget in the GL and one on the Bank also, and possibly Supply).

- Go into Reports – Transaction Reports – Expenditure only, short report, include descriptions, click on simple search and type the budget code in the from and to box – print.
- Bank expenditures will have cheque numbers; GL expenditures will have GL Jan, etc and VAT code 8).

10. BANK Budgets

You may also need to check that all your bank account budgets have been allocated a group of BANK. Print out a list of all budgets and then print out a list of Bank budgets only and compare the bank budgets.

- To correct this go to Records – Budget accounts – click on Previous Record.
- If there is no group click on Edit and enter the correct group (either Bank or GL) – Ok, click on previous record and check the next one.

11. The Final Balance

When the Balance for all Bank Account Budgets matches the Carry Forward figure plus the VAT and any petty cash, then you are ready to roll over the bank. However, you need to reconcile the CFR with Agresso Period 13 before rolling forward.

C Balancing RM Finance with Agresso ready for CFR

Before rolling into the new year there are several transactions and checks that need to be completed. You may wish to take a back up at this point.

Entering End of Year transactions

1. Close Periods 1 – 11 (See instructions in Section D)

2. Bank Account Creditors – these need to be performed in Period 12

- Go into RM Finance.
- Go to Transactions - Accruals - Creditors.
- Enter Net value for creditor; Date = 31.03.11; Ref = Creditor; Detail = Creditor - Gas, etc; Analysis = relevant analysis code; Budget = Bank budget, e.g. Gas.
- You should group together all transactions under relevant analysis codes if they are to be paid out of the same budget, e.g. all buildings under E12, rather than inputting individual amounts.
- Repeat above for all other creditors.

3. Bank Account Debtors (NOT VAT 12) – these need to be performed in Period 12

- Go to Transactions - Accruals - Debtors.
- Enter Net value for debtor; Date = 31.03.11; Ref = Debtor; Detail = Debtor - Supply, etc; Analysis = relevant analysis code; Budget = Bank budget, e.g. Contingency.

4. Bank Account Payments in Advance – these need to be performed in Period 12

- Go to Transactions - Accruals - Prepayments.
- Enter payment value; Date = 31.03.11; Ref = PIA; Detail = Payment in Advance - Trip, etc; Analysis = relevant analysis code; Budget = Bank budget, e.g. Trips.

5. Bank Account Income in Advance – these need to be performed in Period 12

- Go to Transactions - Accruals - Receipts in Advance.
- Enter income value; Date = 31.03.11; Ref = IIA; Detail = Income in Advance - Trip, etc; Analysis = relevant analysis code; Budget = Bank budget, e.g. Trips.

6. Petty Cash

Your petty cash balance will need to be given to Schools Support Children's Service Finance team as part of the end of year procedures. This figure will be added to the balance of your bank account and entered on to Agresso. You should confirm that the figure shown is correct.

As you move through the year end process, the balance of the petty cash account will be rolled over to the new year.

You may also need to do a credit note for the amount of Petty Cash you brought forward at the beginning of last year (April 2010). Again post it against the GL Contingency budget and the GL fund using code E22.

7. GL Period 13 Transactions

On your GL Period 13 report you will see the true brought forward balance showing against the money to school bank account. This is calculated from Bank Balance at 31st March 2011 less un-presented cheques, less creditors, less payments in advance, plus debtors, plus un-credited receipts, plus income in advance.

You will also see a handful of other transactions. They should be the creditor/debtor, etc transactions for General Ledger which you entered onto your end of year forms.

8. Last Checks

If everything has been entered correctly on RM Finance the total for actual spent/received on a list of all budget accounts should match the total spent year to date on Agresso and the total budget allocation should match the total income year to date (including pennies!). This will show the balance in the final column on RM Finance.

Do not roll over until Schools Support Children's Service Finance Team has confirmed that your CFR is correct.

Once you have completed all your entries for 2010/11 you need to go into Transactions – Reconciliation – select General Ledger/Central Fund to bring up all the GL transactions you have entered.

Click on the hand to reconcile all the transactions, enter a reference of 2011 and save and close.



D Closing the current period and ultimately the Financial Year

- Click on 'Period End' – 'Run Period End' – say 'Yes' to the boxes that appear and the computer will roll over from period 1 to 2.
- You will have to repeat the process for the remaining 11 periods.
- After period 12 it will become 'Year End' and 'Run Year End'. The computer will ask for a name for this file. Name it 2010-11 and in description type Accounts 2010/2011.

E Setting up the new financial year

There is no need to allocate the Bank or petty cash brought forward figures as these are entered automatically. If you want to tidy up budgets, e.g., delete or rename them, you will only be able to do this if there are no associated un-reconciled cheques or commitments from the previous year. All your un-reconciled cheques are taken into the new year so there is no need to go back into old year to click them off. Once the budgets have been tidied up you can continue to set up the new year.

1. **Allocate the new budget figures to the accounts**

- Transactions – Budgets – enter details (budget name, amount, date [today's date], reference [your initials], description [Initial Allocation] – OK.
- At the profile page, click on Profile and click on OK. Start with all the Bank budgets first. Ensure that the total bank budget allocation matches the money you have asked for in monthly transfers for the year.
- Once you have allocated all the Bank account budgets print out a List of Budget Accounts and label 'New Budget Accounts 2011/2012'.

2. **Creditors and Debtors**

- Your creditors, debtors, etc will have been brought over as part of the rollover so you do not need to enter these transactions in the new year.
- However, you will need to enter a transaction for the VAT debtor as an income adjustment/correction (Transactions – Adjustments/Corrections – Adjust/correct under Income) into a contingency or brought forward bank account.
- The payment is posted against the General Ledger and not the Bank. (When the cheque is received in the new financial year it is paid in as a normal Income into the contingency or brought forward account and into the Bank.)

3. **GL Account Budgets**

- Next enter budget allocations for GL accounts. Then print out another list of Budget Accounts and label it 'New Budgets 2011/2012 and GL'.
- Now enter money into the General Ledger (central fund) fund. Each amount of income needs to be identified by its analysis code, eg your S52 money needs to be paid in against the correct code (eg, S52 or I01).
 - *Transactions – Income –*. DO NOT give it to a budget, use VAT code 0 and click on OK and select General Ledger].
- You also need to transfer your first instalment from the GL to the Bank Account. If you do not get instalments then transfer the full amount.
 - *Transactions – Transfers –* date [01.04.11], Ref [GL April], Amount [April transfer or full amount], description [first instalment/April transfer/full amount/etc.]. Ensure GL is clicked on left hand side and Bank Account on right hand side.

4. Take another backup

- Once all the above is complete take another back up to the H drive. Name it 'New Accounts 2011/2012'.

5. Budget Allocations

- The brought forward figure then needs to be allocated to a budget to spend (remember if you run Petty Cash as a separate fund you will need to add any brought forward Petty Cash to the budget allocation). It is already in the bank on the computer.
- Go to Transactions – Budget – allocate the brought forward figure. You can then vire money into other budgets.

6. Calculating the TRUE Brought Forward figure

To calculate the TRUE brought forward figure to allocate into the budget you will need to follow the example calculation:

a) Bank Statement at 31.3.11	£15,302.89
b) Less un-presented cheques	2,101.65
c) Less creditors	3,578.34
d) Less income in advance	5,000.00
e) Add un-credited receipts	0.00
f) Add payments in advance	1,245.21
e) Add debtors	<u>1,345.23</u>
=	£ <u>7,213.34</u> (brought forward bank allocation)

This figure should be visible on the Agresso Period 13 report for money to bank account.

If there is any Petty Cash, this needs to be added to the brought forward bank allocation, e.g. Petty Cash = £45.17 + £7,213.34 therefore b/f = £7,258.51.