

FINAL ACCOUNTS 2025/2026

GUIDANCE FOR SCHOOLS

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1. INTRODUCTION

What is the purpose of this document?

This guidance document sets out the key procedures and deadlines that you are required to meet in order to enable the Children and Families (C&F) Finance Team to close your statutory accounts (i.e. those held on the Council's Business Management System). **It is important that these are brought to the attention of all relevant members of staff and that it is understood that all of the deadlines are absolute.** To support the communication of key points this guidance document starts with an Executive Summary and a Summary of Key Dates. It is recommended that these sections, together with this Introduction, are read by all staff with responsibility for financial management. The more detailed guidance on specific topics can be referred to by relevant staff as necessary.

The C&F Finance Team hold a series of training courses on Final Accounts and Year End Procedures early in February each year. They provide an early indication of any changes included in this pack and an opportunity to raise queries and ask questions about the year end procedures. Although these have already taken place for this year end it is worth noting their availability for next year. Training courses can be booked by contacting C&F Finance.

Further help and support is available from relevant staff in the C&F Finance Team [see section 16].

Why do we have Final Accounts?

The financial year for maintained schools and the County Council runs from 1 April to 31 March. It is a requirement to produce statutory financial accounts for this period and to report our financial position externally, to government and other interested parties. For schools this incorporates the requirement for Consistent Financial Reporting (CFR) data, which supports financial benchmarking between schools. The "Final Accounts" process is necessary to ensure a broadly consistent approach to the production of accounts in order that these give a "true and fair view" of the financial position in accordance with standard accounting concepts. Without such an approach it would be difficult for external users of the reported accounts to make comparisons either between years or across Councils and schools.

When will the School Governors' Year End Financial Statement be published?

It is anticipated that this will be made available to you week ending 15 May. As with last year this should enable you to consider the impact of the notified balances carried forward on your 2026/2027 Budget Plan prior to submitting this by the 31st May deadline.

Please note the year-end carry forward position shown on your Governors' Statement will include any variance relating to budget allocations / deductions which have NOT been reflected in the 2025/26 tranche. Adjustments relating to budget and payroll transactions will be actioned in the cash tranche in the 2026/2027 financial year.

Who will submit my CFR report to the DfE?

As in previous years we intend to submit CFR reports to the DfE on your behalf using the information from your statutory accounts. Every school will need to submit a completed Committed Balances Return which in turn will be used to populate the DfE website. **It is important to note that unless the return is submitted all revenue balances will be assumed to be uncommitted.** If you have any queries you will need to raise these with the C&F Finance Team by 31st May. After this date we will submit CFR reports to the DfE on your behalf.

How do we ensure that the CFR report is as accurate as possible?

It is important that income and expenditure are recorded against appropriate account codes in order that they are shown under the correct CFR headings, thereby supporting benchmarking with other schools. Particular care should be taken in respect of capital income and expenditure as miscoding of these can distort the split of balances shown within the CFR reporting framework (see section of this guidance on "[Capital Allocations and Accounting](#)").

Also please note that any income received directly to the school from the DfE / other government grants should only be coded to the relevant account codes under CFR heading I06 i.e. 70020 or 70080. Other non government grants or payments received by the school should be coded to the relevant account code under CFR heading I07 i.e. 71020 or 71090.

2. EXECUTIVE SUMMARY

- The Final Accounts process is necessary to ensure a broadly consistent approach to the production of financial accounts in order that the reported accounts of the Council and schools give a “true and fair view” of their affairs and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on LA Accounting in the UK.
- In view of the tight turnaround period there will be no flexibility with regard to the deadlines so we would request that as much preparation work and planning is done prior to the year end period to assist you with meeting these critical targets.
- Reconciliation of your accounts should be undertaken on a monthly basis and queries submitted to the C&F Finance Team as soon as possible, with reference to the deadlines for the Final Accounts period. [\[see section 4\]](#).
- Sundry Debtor and Sundry Creditor forms (along with evidence) should be completed and submitted, using estimates where exact amounts are unknown. **NIL RETURNS ARE REQUIRED.** [\[see section 9\]](#)
- Evidence for all sundry creditors and debtors is required [\[see section 9\]](#). A separate guidance document has been prepared to help you complete the forms and evidence.
- Vertas may have invoiced for contractual services (cleaning, caretaking, catering) to be delivered beyond March 2026. You may want to enter these prepayments on a sundry debtor form if the payment method you have selected (particularly annual or quarterly) means you will have accounted for more than 12 months’ worth of costs in the 2025-26 financial year.
- Schools should consult the detailed guidance regarding accounting for capital income and expenditure. This is of particular importance given the separate reporting of capital balances within the CFR framework. [\[see section 11\]](#)
- Holders of SBAP funding are now required to complete a year end return. Please see key dates and section 10 for more information.
- Due to Easter holidays a March 2026 specific month end checklist has been produced as a reminder of key tasks. This will be available on the school portal in the Final Accounts section.

3. SUMMARY OF KEY DATES

Tue 10 February	Deadline for Family Holders to return their FAM A and FAM B forms. Requests to carry forward Family balances are not permitted.
Tue 24 February	Last day for receipt of pay queries relating to transactions up to and including 23 February by C&F Finance.
Fri 27 February	Deadline for receipt of the Family SBAP Balances Return
Fri 27 February	Final date for receipt of invoices to be paid from the school loan scheme.
Fri 27 February	Deadline for receipt of the Remote Access Questionnaire.
Fri 6 March	Deadline for receipt of February VAT returns via Perspective Lite
Tue 10 March	Deadline for February REC1, returns via Perspective Lite
Wed 11 March	Last day for Portal input for Supply Teacher claims and overtime/extra payments
Fri 13 March	Deadline for receipt of Motor Vehicle survey.
Mon 16 March	Deadline for submission of FINAL March claim for staff absence scheme up to and including Friday 13 March
Fri 20 March	Last day for processing outgoing payments via BACS (authorised by midday)
Fri 20 March	Last day for receipt of Sundry Creditor and Sundry Debtor forms (inc. evidence) by C&F Finance via Perspective Lite – NIL RETURNS ARE REQUIRED. Resubmissions/late entries will not be accepted unless over £5,000.
Mon 23 March	Last day for C&F budget holders to process virements to be paid in the March cash tranche.
Tue 24 March	Last day for receipt of pay queries relating to transactions up to and including 23 March by C&F Finance.
Wed 25 March	Last day for entry of ANY transactions in FMS for financial year 2025. Reconcile March bank statement. No posting in 2025 (FMS) after reconciling the bank statement/running the March reports.
Wed 25 March 2pm	Deadline for submission to C&F Finance of: - REC1 - See Section 13 for advice on how this can be achieved. - Copy bank statement showing the balance as at 25 March, and - An unreconciled transaction listing. via Perspective Lite
Wed 25 March 2pm	Deadline for receipt of March VAT Long Summary txt report and VAT Full report (MTD) returns via Perspective Lite

Thu 26 March to and Tue 31 March	No transactions to be entered on FMS
Fri 27 March	Last day of Spring Term
Wed 1 April (or first working day after)	Run VAT Submittal Report (MTD) for March and click submit (Note: this does not need to be submitted to Finance)
Wed 1 April (or first working day after)	Run VAT Full Report (MTD) for March, save as a PDF and send to C & F Finance via Perspective Lite by 4pm on Monday 13th April
Fri 3 April	FI038 available to run to view sundry creditors and debtors (see guidance in section 14 and FMS EOY notes)
Mon 13 April	First day of Summer Term
Mon 13 April	4pm deadline for sending March 2026 VAT Full Report (MTD) to C&F Finance via Perspective Lite
Thu 16 April	<p>Last day for receipt of all queries relating to all transactions (including pay, accruals and capital) up to and including 31 March by C&F Finance.</p> <p>Please note, there is no guarantee that these will be resolved if they are not material in nature or value.</p>
Fri 17 April	Final Period 13 payroll reconciliation file available in Perspective Lite for the period 24 March – 31 March (includes all items up to and including the 16 April, and “back-posted” into SAP to the 31 March). Not all schools will receive a P13 file.
Fri 15 May	Year-end Governors’ Statement sent to schools by end of day.
Sun 31 st May	Deadline for submission of CBR to School Finance

4. RECONCILIATION AND SUBMISSION OF QUERIES

Why is it important to reconcile your accounts on a monthly basis?

Monthly reconciliation of your local system to the Council's Business Management System (e.g. to the reports available through the Schools Portal) is key to ensuring that the accounts can be closed on time. Not only does this represent sound financial practice by keeping accounts up to date throughout the year, but it also prevents unnecessary backlogs of work at the end of the financial year. As part of this it is important that you submit your pay queries on a monthly basis throughout the financial year.

What are the deadlines for period 12 pay queries?

All queries relating to period 12 transactions must be received by the C&F Finance Team by the relevant [deadline](#) so that they can be investigated, and any transfers processed in the old year. As such you should ensure that reconciliation up to this date is completed during the week the period 12 auto pay reconciliation file becomes available and that queries are submitted as soon as possible after the reconciliation is complete. **It may not be possible to resolve any queries relating to this period in the current financial year unless they have been received by the deadline disclosed in the [Summary of Key Dates](#).**

What are the deadlines for period 13 pay queries?

After period 12 BMS reports are available we will only be able to process queries relating to transactions in period 13. All queries relating to transactions for this period must be received by the C&F Finance Team by the 16th April 2026. This will be done on a case-by-case basis and will be subject to materiality.

What do I do with queries relating to period 13 transactions?

Some transactions will continue to be recorded against your accounts during the closedown period (i.e. period 13). Examples include transfers arising from queries, refunds from the Staff Absence Scheme and Sundry Debtors and Creditors. It is possible to continue to check transaction reports during period 13. Schools will need to ensure that they run off and check their Period 13 transaction reports. Any queries relating to these transactions should be raised with the Team immediately (see section on "[Help and Support from the C&F Finance Team](#)"). All queries relating to Period 13 transactions must be raised with us by the end of Thursday 16th April at the latest. These queries will be resolved on a case-by-case basis and will be subject to materiality.

5. BILLER DIRECT CHARGES

Please read this section very carefully because if Biller Direct charges have not been treated appropriately i.e. NOT entered on FMS or included on a Sundry Creditor form, your school accounts will not show a true position of your carry forward balance and both your Year End Financial Statement and CFR data, submitted to the DfE, could be materially inaccurate.

All Biller Direct charges that have been received by 28th February (taken from the bank in March) should have been entered onto FMS. Service providers will be able to enter March's charges into BMS up to the last working day in March. March biller directs

(taken from bank in April) **must not** be entered into the 2025 FMS year but can be included on your sundry creditor form.

Schools should check that no material charges have been missed from their Sundry Creditor forms if this is returned before the March deadline.

If you have any outstanding disputed charges an estimate should be made of the amount considered to be payable and an accrual made for it (particularly if it is above the materiality value of £5,000).

Please note: Schools still have 14 days to dispute any charges prior to the direct debit being collected.

6. SCHOOL CATERING – Income and Expenditure

Income

Catering income is banked through school budgets. This income may be received as cash or cheques or if your school uses a cashless system it may appear in your bank account as a transfer from them on a weekly basis.

Primary and Infant schools will also receive UIFSM funding towards the cost of providing meals to KS1 pupils. This funding is paid to schools towards the end of summer term and no further action is required at year-end.

To finalise your 2025/2026 budget it is important that any income that will not appear in your accounts before the year end (but relates to the 2025/2026 financial year), is put on a Sundry Debtor so that it appears in your 2025/2026 accounts.

This could either be amounts that are not recorded in FMS before 25 March 2026 or an estimate of amounts that are outstanding that have not yet been received.

To record these transactions please complete a Sundry Debtor by 20 March 2026. The income may need estimating.

Expenditure

All Catering charges made via Biller Direct should be charged to the codes below:

- 41030 Universal Infant Free School Meals
- 41040 Adult meals
- 41050 Pupil free meals
- 41060 Pupil paid meals
- 41070 Catering expenditure other activities
- 41080 Tuck shop

Once again it is important that the charges for the full financial year are charged to the school budget so that both the income and expenditure are showing in the school accounts for the same financial period.

If your catering is provided by Vertas (Notts CC partner) you should receive and pay for your February meals prior to 25th March. You will need to include an estimate for your

March meal charges onto your sundry creditor form as these won't be invoiced until April.

Any schools with a Vertas contract should contact Vertas directly to ascertain whether they are liable to a loss for the 2025/26 financial year.

7. SUPPLY AND ADDITIONAL HOURS

The last date to input Supply and Additional hours on the BMS Schools Portal, in order for them to be paid in March 2026 salary and accounted for in the 2025/2026 financial year, is as per the [summary of key dates](#). Any supply or additional hours relating to March 2026 input after this date can be included on your Sundry Creditor form ([See Section 9](#)). Any other material payroll costs relating to 2025/2026 that you expect to be processed after 1 April 2026 should also be entered on your Sundry Creditor form.

8. STAFF ABSENCE SCHEME

To ensure any claims can be credited in 2025/2026 financial year, schools need to submit their claims up to and including Friday 13 March 2026 **by 5.00pm on Monday 16 March 2026**.

If you have any long-term absences that you are certain will continue until 27 March and you have cover arrangements in place for the rest of the month, evidence should be submitted if available, we are aware this may not be possible. **If evidence is not available, please enter the full name of the person covering the absence in the comments box and claims will be processed without evidence for this period only.**

All claims should be submitted online.

Any claims for the period 16 March 2026 to 27 March 2026 will need to be submitted in April 2026, the payments for these claims will be paid by June 2026.

Please note, if we do not receive the claims by 5.00 pm on Monday 27 April 2026, we are unable to make any payments for those claims.

If you have any queries, please contact Jo Bray on (0115) 977 3200.

The rates paid through the Staff Absence Scheme are detailed in Appendix A.

9. SUNDRY CREDITOR AND SUNDRY DEBTOR PROVISION

Sundry creditor and sundry debtor provision is made in order to comply with the "matching" concept that income and expenditure should be accounted for in the accounting period in which the relevant activity was undertaken. The determining factor for which financial year income or expenditure should be accounted for is the date on which goods or services were received or provided and **not** the date that the goods or services were ordered, the date on the invoice or the date that the cash is released.

It is important that sundry creditors and sundry debtors are actioned appropriately to ensure that reported accounts and the carry forward on your year-end financial statement gives a “true and fair view” of your school’s financial position. They should genuinely relate to matching services provided or goods received to the correct accounting period and do not merely attempt to alter expenditure or income for budgetary reasons.

Under current materiality limits set for the County Council, sundry creditor and sundry debtor forms need **not** be submitted for amounts less than £5,000. You **must**, however, complete forms for **all** individual items that exceed £5,000. Where there are a large number of smaller items that amount to more than £5,000 in total for a specific CFR code these should be included on the relevant form against the correct account code.

Sundry creditor forms should be completed and submitted in respect of:

- Invoices received too late to be paid and accounted for in the old financial year which relate to goods or services provided up to and including the 31 March e.g. Utility bills.
- Income received in advance of 31 March but which relates to services due to be provided after 31 March e.g. grant income.

Sundry debtor forms should be completed and submitted in respect of:

- Income received after 31 March which relates to services up to 31 March (e.g. cash income not banked in time to be accounted for in the old financial year or bank interest that is received on or after the 31 March).
- Invoices paid before 31 March which relate to goods or services received after 31 March (e.g. prepayments for summer term trips).

For examples of the above please refer to Appendix B at the end of the document

Where the situation arises that a single payment relates to services provided in two financial years there is no requirement to split the payment as long as each financial year is charged with the correct number of payments (e.g. 4 quarterly or 12 monthly utility bills are charged to each financial year).

Please provide supporting documentary evidence at the time of submission for **all** individual sundry creditors and sundry debtors irrespective of their value. This is because there will be less/ no opportunity to review and make any amendments after the 16th April, due to reduced year end timescales. All evidence should be scanned as one document for debtors and one for creditors and sent via the Perspective Lite file requests. Each page should be numbered with the relevant corresponding number from column A on your accrual form. Evidence could come in the form of an invoice, purchase order or an estimate based on historic spending/income patterns. Please see our “Guide to Creditors & Debtors” for more assistance (available in the Final Account section of the School Portal).

A sample of schools will be selected to provide supporting evidence for their accruals, irrespective of value. This is a quality assurance process to be undertaken prior to the start of the external audit by Forvis Mazars, the County Council auditors.

Do I need to separately identify capital and revenue sundry creditors and debtors?

Yes. In view of this the spreadsheet automatically indicates the nature of the transaction from the account code entered, therefore no additional manual input is required.

Do I need to separately identify payments or income made/received in advance?

These are transactions that have been made/received in advance of the financial year to which they relate. The spreadsheet has a ‘flag’ that is placed against the transaction.

Can I estimate amounts if the exact figure is unknown?

Subject to materiality (see above), you should complete a sundry creditor or sundry debtor form even if the exact amount is unknown. It is far better to include an estimated sundry creditor for an outstanding invoice or sundry debtor for outstanding income than to not reflect these in the accounts at all. However, you should be prudent when estimating amounts and only include estimates of income where future receipt of this is considered highly likely. An example of where you may want to estimate an accrual is for March utilities. If you haven’t received an invoice for electricity up to 25 March an estimate should be made based on an average of the previous 3 months bills or using historic spending patterns.

How do I complete and submit sundry creditor and sundry debtor forms?

Electronic templates for Sundry Creditor 2025/2026 and Sundry Debtor 2025/2026 forms are available to download from the School’s Portal (Finance/Final Accounts/2025-2026). Once completed, these should be returned via Perspective Lite.

The templates include an example of a completed sundry creditor and sundry debtor form and guidance notes on how to complete them. There is also a “Guide to Creditors & Debtors” (available in the Final Accounts section of the School Portal)

Please refer to the [summary of key dates](#) for the deadline for submitting sundry creditor and sundry debtor forms. **PLEASE NOTE THAT NIL RETURNS ARE REQUIRED.**

Why do I need to complete the ‘Counter Party Type’ and ‘Counter Party Name’ column?

The completion of these columns is necessary to aid the completion of the County Council’s statutory accounts. All debtors and creditors have to be grouped into one of the counter party categories.

Some examples are below:

Item	Counter Party Type
Biller Direct	Internal – Biller Direct
Additional hours for a member of staff (to be processed through payroll)	External – Other
Agency Supply Cover	External – Other
Payments due to Arc, Via, Inspire or Vertas	External – Arc, Via, Inspire, Vertas
Utility Bills e.g. gas, electric	External – Other
Payment owed to another maintained school	Internal – Other NCC School

10. FAMILY SEN BUDGETS/SBAP

The deadline for Family Holders to return their final FAM A and FAM B forms can be found in the [summary of key dates](#). If you have missed this deadline please contact Gail Everatt, Business Support Administrator, on (0115) 977 2955 as soon as possible.

The deadline for School Behaviour Area Partnership Family Holders to return their Year End Balances Form can be found in the [summary of key dates](#). If you have missed this deadline please contact Tracy Ayers, on (0115) 8042627 as soon as possible.

11. CAPITAL ALLOCATIONS AND ACCOUNTING

Why is it important to split expenditure between capital and revenue?

There are two main reasons why it is necessary for schools to clearly distinguish between capital and revenue expenditure in their accounts.

Firstly, External Audit scrutinise closely the overall County Council accounts to ensure that capital expenditure has been reported separately from revenue expenditure in accordance with strict accounting rules.

Secondly, both the Consistent Financial Reporting and section 251 frameworks require that both capital income and expenditure are identified separately from revenue income and expenditure. In fact, these requirements go one step further by splitting capital expenditure down between Premises, ICT, Land and Equipment categories.

What is capital expenditure?

Capital expenditure can be defined as follows:-

Expenditure on the acquisition of a tangible asset, or expenditure which adds to, and not merely maintains, the value of an existing asset. For an asset to be classed as a capital it must provide benefits to the authority and the services it provides for a period of more than one year.

Expenditure that should be capitalised will include expenditure on the:

- *Acquisition, construction, preparation, enhancement or replacement of buildings and other structures; and*
- *Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels.*

In this context, enhancement means the carrying out of works which are intended to:

- lengthen substantially the useful life of the asset, or
- Increase substantially the market value of the asset, or
- Increase substantially the extent to which the asset can or will be used for the purposes of, or in conjunction with, the functions of the local authority.

Expenditure that should not be capitalised will include expenditure on:

- Rent of alternative premises whilst property is being enhanced/ replaced, site security, training of staff, decoration of a building and general office supplies and equipment.

A sample of schools will be selected to provide a breakdown of their capital transactions to ensure that they meet the definition of capital expenditure. This is a quality assurance process undertaken prior to the start of the external audit by Forvis Mazars.

If you are unsure on the treatment of a particular item of expenditure contact C&F Finance (0115) 9772211 by the relevant [deadline](#).

What is the de minimis limit for capital expenditure?

The de minimis level set by the LA is **£10,000**. Therefore, the overall cost of an asset must be greater than **£10,000** for it to be classified as capital expenditure. There is no de minimis for the purchase of vehicles and all vehicle purchases and donations should be classed as capital and logged on your Motor Vehicle Survey. If capital expenditure is solely funded by Devolved Formula Capital, the asset can have a lower total cost although this must exceed **£2,000**.

How should I code capital income in my accounts?

The majority of capital income (normally DFC) received by schools will be via a budget transfer processed by C&F Finance. However, other external capital income may be received into schools from other sources. In this circumstance the income should be coded to one of the following capital income codes: -

71082 – Capital income from public sources.

71081 – Capital income from private sources.

72021 – Income from the sale of Fixed Assets.

How should I code capital expenditure in my accounts?

To meet the requirements of Consistent Financial Reporting it is important to code capital expenditure to the correct account code. The account code used will depend upon where the expenditure is being funded from. Please use the following guidance to help you select the correct code:-

Expenditure Funded By Devolved Formula Capital

Code	Expenditure funded by DFC
90000	Premises
90100	Vehicles
90200	ICT Laptops, Desktops & Tablets
90300	ICT Connectivity
90400	ICT Servers
90500	ICT Other Hardware

Expenditure Funded By Any Other Capital Grant

Code	Expenditure funded by Other Capital Grant
90020	Premises
90110	Vehicles
90140	Equipment
90210	ICT Laptops, Desktops & Tablets
90310	ICT Connectivity
90410	ICT Servers
90510	ICT Other Hardware

Expenditure on the above seven account codes will always be funded by either other capital grant received via a budget virement or by other capital grant received directly by the school and coded to 71082 - Capital income from public sources or 71081 Capital income from private sources (on Budget Planner - Private income as Capital Fund), or 72021 Capital income from the sale of a Fixed Asset

Expenditure Funded from the School Budget

A school can use its revenue budget to fund capital expenditure if no capital budget is available. In this circumstance the school should use the following codes:-

Code	Expenditure funded by School Budget
90040	Premises
90099	Acquisition of Land
90120	Vehicles
90150	Equipment
90220	ICT Laptops, Desktops & Tablets
90320	ICT Connectivity
90420	ICT Servers
90520	ICT Other Hardware

What are the arrangements for recording capital expenditure funded by the School Loan Scheme?

Any queries relating to the coding of capital expenditure funded by the School Loan Scheme should be directed to Katie Kind, C&F Finance:

Tel: **0115 9772211**

Email: Katie.Kind@nottscc.gov.uk.

What are the arrangements for carrying forward capital balances?

All capital balances will be carried forward automatically based on prior year capital carry forwards as well as current year budgets vired to schools, income coded to capital income codes and expenditure coded to capital expenditure codes.

IMPORTANT – for school capital balances to be carried forward into 2026/2027 accurately it is necessary that schools use the correct account codes when

processing capital income and expenditure. It is also important to note that although school revenue balances can be used to fund either revenue or capital expenditure, capital balances can only be used to fund capital expenditure. C&F Finance will undertake a review of all capital codes prior to year-end to identify and inform schools of any obvious coding issues.

If you have any queries relating to capital income or expenditure you should contact the C&F Finance team on **(0115) 9772211**

12. MOTOR VEHICLE SURVEY RETURN

The Capital Accounting regulations to which the County Council must comply requires that details of all capital assets are reported, including motor vehicles. Details are maintained centrally but we do need to undertake a detailed annual survey of schools to ensure that our records are accurate.

Additions (outright purchases or funded by Donations), **Disposals**, plus **NEW and ongoing Leases** must be confirmed using the pro-forma that is available in the following location on the Schools Portal (Your Services/Finance/Final Accounts/Final Accounts 2025-2026). This is to be completed and returned no later than the deadline shown in the key dates.

Please return this via email direct to **corporate.accounting@nottscc.gov.uk**.

The following points should be considered when completing the pro-forma:

- The name of your establishment and profit centre must be completed along with the vehicle registration details.
- Details regarding leased vehicles have been required since 2023/24.
- You must inform us of any vehicles acquired or disposed of, regardless of whether they were purchased, donated or leased.
- The subtle but important difference here is that you need to continue to include leased vehicles on the return for each and every year the lease is active, whereas vehicles purchased or donated only need to be included on the return in the year of acquisition/disposal.
- Details of vehicles purchased through the School Fund should be included.

It will be assumed that if you do not complete the return within the timescale that you have **no additions or disposals or new and ongoing leases** within the financial year.

13. BANK ACCOUNT

You **MUST** send the following information to the C&F Finance Team by 2pm on Wednesday 25th March:

- 1st to 25th March VAT reports (txt and MTD reports)
- A copy of your bank statement as at Wednesday 25 March 2026.
- A copy of your post reconciliation un-reconciled bank transactions (generated from FMS) to Wednesday 25 March 2026.
- The completed REC1 form for March 2026.

In addition you must also provide a March VAT Full Report (MTD) on Wednesday 1st April (School Holiday) or your first working day after (by 4pm on Monday 13th April at the latest)

You must also run the VAT submittal report for March on Wednesday 1st April (School Holiday) or your first working day after. This will close the VAT period on FMS. This report is not possible to run until after the 31st March. It does NOT need to be submitted to C&F Finance.

NOTE If your REC1 does not balance please contact C&F Finance **IMMEDIATELY** on 0115 9772211 as it is likely that you will be asked to submit some additional information.

Please note that the REC1 form and accompanying documents **MUST** be submitted through **Perspective Lite**.

Over the last couple of years, External Audit have asked for quite detailed information relating to some school bank accounts. As such, it is important that schools have ready access to original records in case these are requested, e.g. invoices, bank paying in slips, information upon which the REC1 is based, etc.

Any items appearing on the March bank statement after 25th March which are not recorded in your local system on or before 25 March, e.g. direct debits or bank interest, should be recorded in the 2026 financial year within FMS. Please **DO NOT** attempt to process these transactions in the 2025 financial year. **Sundry Creditor or Sundry Debtor provision can be made to adjust your 2025/2026 statutory accounts for such items ([see section 9](#)).**

DO NOT PROCESS ANY TRANSACTIONS (INVOICES, INCOME, CASH BOOK JOURNALS etc.) ON FMS IN 2025 AFTER PRODUCING YOUR REPORTS ON WEDNESDAY 25 MARCH.

All reports (bank history, VAT, trial balance etc) should be run **AFTER** reconciling your bank statement on 25th March.

The cash balance in your bank account at the end of period 12 should not be taken to represent the school's carry forward as this may be subject to other accounting adjustments (e.g. for Sundry Creditor or Sundry Debtor provision).

14. FMS

How to run reports in BMS to show Debtors & Creditors

The report is called *FI038 –Line Item Detail Debtors & Creditors: Schools*. This is accessed through the route:

BMS Portal>BI Corporate Reports>Externals>Schools Finance>FI038

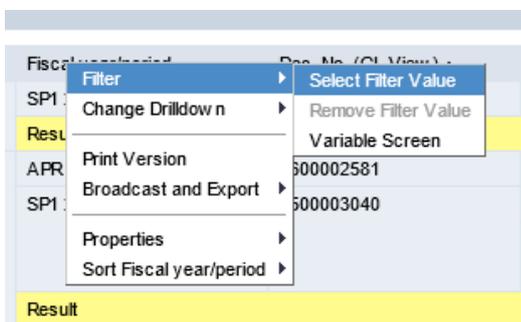
Please enter your schools cost centre and change the Fiscal Period to 013.2026 as below to view all accruals posted up to period 13.

Variable	Current Selection	Description
Profit Center	XXXXXX	
* Fiscal Period	013.2024	SP1 2024

Click OK once you are happy with your parameters.

Note this will also show reversal accruals from the previous financial year, posted in April of last year (Period 1). To filter on the accruals processed in period 13, right click over the text 'Fiscal year/period' select 'Filter' and then 'Select Filter Value'.

Profit Center	GL Account	Agency Staff	Fiscal year/period	Doc. No. (GL View)	Item Text	Amount
	NCC1/11000	Agency Staff	SP1	300003040		60.00
	NCC1/11010	Agency Teachers	APR	300002581		-630.00
			SP1	300003040		95.00
						360.00
						765.00
						590.00



Select the line **SP1 2026**, then click the 'Add' button, followed by 'OK'. This will produce a transaction report showing all accruals posted into period 13 only.

Reports from the BMS system showing all these transactions may be run from Friday 3 April.

Please note that pay code accruals do not show on this report – they will be imported via the P13 Autorec process.

It is important to ensure that all year end accruals (both debtors & creditors) are recorded in FMS using reversing journals. Full details of how to process these journals are included in the FMS End of Year Notes of Guidance. **(Note – Reversing Journals will fail if invalid codes are used**, guidance available from Finance Helpdesk, as below).

Schools should refer to the detailed FMS End of Year Notes of Guidance produced by C&F Finance when closing the 2025 financial year. This guidance will be made available on the School's Portal w/c 16th February 2026.

If you are unable to obtain access to the notes of guidance from the School Portal please call C&F Finance helpdesk (0115 9772211).

15. VAT ISSUES AND VOLUNTARY AIDED (VA) SCHOOLS

We are under scrutiny from HMRC and therefore accounting correctly for VAT is essential. A flow chart for determining VAT recovery for VA schools can be found in Appendix C. A summarised guidance can be found in Appendix D.

There is more detailed information for VAT recovery on expenditure for VA schools on Wired in a document called 'HMRC Guidance for Local Authorities & VA Schools'. It provides definitions of responsibility for expenditure, examples of what VAT can and cannot be recovered by a LA, grant funding and examples of capital/revenue expenditure.

There is further information on VAT recovery in the form of two short HMRC guidance papers and a longer note:

1. VATGPB7550 - Local authority education services: voluntary aided schools
2. VATEDU65750 - Local authority (LA) schools: governors acting as agents of the local authority
3. [VATGPB7540 - Local authority education services: voluntary aided schools: paragraph 5 of guidance on section 33 recovery agreed with the Department for Education - HMRC internal manual - GOV.UK \(www.gov.uk\)](#)

The first point of contact for VAT queries is your NCC C&F Finance contact who can deal with many routine queries. They may refer your query to NCC's VAT Officer, if required.

If in doubt ALWAYS seek advice. There is NO such thing as a silly question, please ask if you are unsure.

16. HELP AND SUPPORT FROM THE C&F FINANCE TEAM

If you require further help and support regarding the Final Accounts process, please contact your usual finance consultant or the C&F Finance Team:

Email: cyp.finance@nottscc.gov.uk

Phone: (0115) 977 2211

For queries on the School Loan Scheme please contact

Katie Kind (0115) 977 2211 Katie.Kind@nottscc.gov.uk

Appendix A

Staff Absence Scheme Payment Rates

Levels of cover Standard or Premium schemes:

3 - 20 days

3 - 195 days

6 - 195 days

21 - 195 days

Benefits are paid at the following rates, dependent on the level of cover purchased.

Standard Protection

Teachers – £110 per day

Support Staff – £55 per day

Midday Supervisors, Out of school Staff (employed by the schools) – £3.50 per hour

Premium Protection

Teachers – £125 per day

Support Staff – £60 per day

Midday Supervisors, Out of school Staff (employed by the schools) – £3.50 per hour

These rates are for sickness absence, paternity leave and suspension claims. Claims for part-time employees will be paid at a pro-rata rate.

Appendix B

Example of the accounting entries for a sundry creditor

Consider an example in which goods have been delivered during March 2026 but the invoice has not been received in time to be paid in the 2025/2026 financial year. You should complete the electronic Sundry Creditor form to charge the 2025/2026 financial year and process the invoice in 2026/2027 once it arrives. The entries in your accounts would appear as follows:

Real World	
Old Year	New Year
 New books received	 Invoice received & put on FMS

Effect in FMS – No Sundry Creditor		
	Old Year	New Year
Invoice	0	£200
Net Effect	0	£200

The financial system does not reflect what has happened. 😞

Effect in FMS – With Sundry Creditor		
	Old Year	New Year
Invoice	0	£200
Sundry Creditor	£200	-£200
Net Effect	£200	0

The financial system reflects what has happened. 😊

If you are estimating your sundry creditor the following would apply:

Effect in FMS – With Sundry Creditor (estimated value) e.g energy supplies		
	Old Year	New Year
Sundry Creditor	£1,500	-£1,500
Invoice	0	£1,600
Net Effect	£1,500	£100

The financial system more accurately reflects what has happened than it would if no estimate had been made. 😊

If you have received income in advance of a purchase you would still complete a sundry creditor:

Effect in FMS – With Sundry Creditor – income received in advance e.g. for a trip		
	Old Year	New Year
Sundry Creditor	£2,150	-£2,150
Further Income Collected	0	-£1,000
Invoice for trip paid	0	£3,150
Net Effect	£2,150	£0

Example of the accounting entries for a sundry debtor

Consider an example where £2,000 lettings income relating to March 2026 has not been received in time to be banked and accounted for in 2025/2026. You should complete the electronic Sundry Debtor form to credit the income to 2025/2026 and bank the income when it's received in 2026/2027. The entries in your accounts would appear as follows:

Lettings income not yet received (income code)		
	Old year	New Year
Lettings	0	-£2,000
Sundry Debtor	-£2,000	£2,000
Net Effect	-£2,000	0

The income is accounted for in the correct financial year. 😊

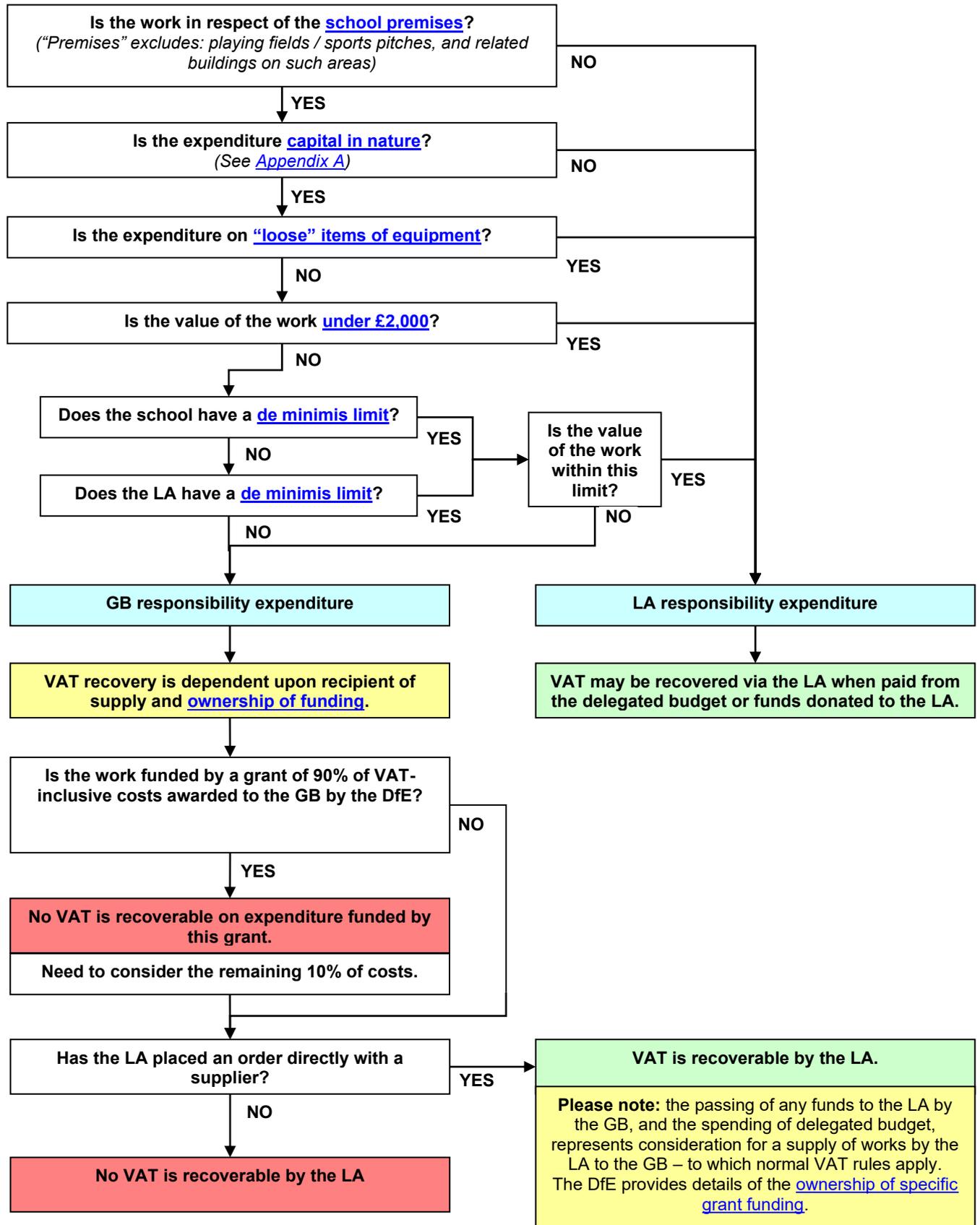
As a second example consider a prepayment where a £9,000 trip deposit invoice relating to a June 2026 trip has had to be processed before 31 March 2026. As such you should complete the Sundry Debtor form to credit the 2025/2026 (effectively cancelling out the original charge) and charge the expenditure to the 2026/2027 financial year when the trip will actually take place. The entries in your accounts would appear as follows:

Trip happening in new year (expenditure code)		
	Old year	New Year
Trip Deposit Invoice	£9,000	£0
Sundry Debtor	-£9,000	£9,000
Net Effect	£0	£9,000

The effect on the school accounts over the two years is a charge of £9,000. However, the year end position has been more fairly stated than if no sundry debtor had been completed.

Appendix C

Flow chart for determining VAT recovery for Voluntary Aided (VA) Schools



Appendix D

Vat Guidance – Voluntary Aided (VA) Schools

The current responsibility for capital expenditure within VA schools can be defined as:

- **Governing Body Responsibility** - Expenditure which is capital in nature, and relates to:
 - The existing buildings (internal and external)
 - Perimeter walls and fences, even if around the playing fields
 - Playgrounds
 - Fixed furniture, fixtures and fittings – including ICT infrastructure

Except where it is excluded from the definition of capital expenditure due to falling below the **de minimis limit - £2,000**

- **LA Responsibility** - Expenditure which is capital in nature, and related to:
 - Expenditure excluded from Governing Body responsibility by virtue of it falling below the **de minimis limit - £2,000**
 - Maintenance of playing fields (including sports pitches)
 - Buildings on those fields related to their use
 - Day to day running costs of the school e.g. costs of staff, training, consumables, teaching resources, utilities etc.

Capital Vs Revenue

Capital	Revenue
Roofs	
New Structure	Repair/replacement of small parts
Structure – Replacement of all or substantial part of an existing structure	Replace small areas of rotten or defective timber, rafters, etc.
Floors	
Structure & damp proof course in new building	Repair/replacement of small parts
Windows & Doors	
Framing – new build	Repair/replacement of small parts
Sanitary Services	
New buildings all toilet fittings, Plumbing etc.	Repair/replacement of damaged sanitary fittings etc.
Heating & hot water systems	
New	Maintenance
External works	
New car parks, paths, steps etc.	Maintenance/repair, car park markings

More examples of capital/revenue expenditure are available from HMRC's website.

Additional Issues

- The DfE in England may make grants to Governing Bodies of VA schools in order to help them meet their responsibilities, funding 90% of qualifying expenditure. **VAT** will not be recoverable by the Governing Body in respect of this funded expenditure and the grant includes irrecoverable VAT costs.
- VA school Governing Bodies are expected to meet the remaining 10% of costs from their own resources, although the SSFA allows LAs to contribute to the Governing Bodies 10% contribution, if they so wish.
- Any Grant funding support must be to assist the VA school's governing body with its responsibilities for the capital provision and/or refurbishment or renewal of VA school buildings and equipment
- In the case of VA schools, S49 (6) of SSFA stipulates that the Governing Body does not act as the LA's agent when spending amounts from the delegated budget to meet expenses payable by the Governing Body in relation to capital works for which the GB is responsible. Therefore, VAT may NOT be recovered on such expenditure.
- ICT Expenditure table examples

Premises (GB Responsibility)	Non-Premises (LA Responsibility)
Note: VA Schools are allowed to use capital grant funding to pay for ICT equipment, but VAT will not then be recoverable	
<ul style="list-style-type: none"> • Building of ICT Suite – including construction works and all equipment, furniture & fittings installed. <i>These become part of the premises.</i> • Installation of: <ul style="list-style-type: none"> ○ ICT cabling; ○ WiFi systems, incl. Ethernet & routers; ○ Security systems, incl. proximity cards <i>These are purpose built for premises, and not removable for use elsewhere.</i> 	<ul style="list-style-type: none"> • PCs, servers, interactive electronic whiteboards, projectors, printers and fax machines installed individually (not as part ICT suite) • Laptops, kindles, iPads and other 'hand held' equipment used in the classroom * • Laptops trolleys (storage / connection facilities) • Electronic tills and biometric identification scanning devices <p><i>All of the above are not part of premises as removable and available for use elsewhere.</i></p> <p><i>*VAT recoverability on such items used by teachers is as non-VA schools</i></p>

**The importance of accounting for VAT correctly is not to be underestimated
Incorrectly claimed VAT could result in:**

- Repayment of over claimed VAT going back several years
- Penalty charges by HMRC
- Interest charges by HMRC
- Further inspections by HMRC
- Resulting in further checks, more reconciliations and further training resulting a strain on resources