

Financial Guideline 2019/2020 – 04

Voluntary Secondary Schools

Financial Year-End 2018/2019

A. Overview of Financial Year end 2018/2019

The requirement on the board of management to post a hard copy of the signed annual accounts to the FSSU is no longer in place. A PDF copy of these accounts will be uploaded by the external accountant/auditor as part of the revised online submission process.

It is also a requirement for the board to retain a copy, annually, of the:

- A. practicing certificate issued by a prescribed accountancy body), and
- B. professional indemnity insurance of their external accountant/auditor.

B. Summary of key deadlines:

- The school should aim to supply all financial information to their external accountant/auditor for the school year ending 31st August 2019 by **September 30th, 2019.**

Schools should liaise with their external accountants/auditors and request them to review their accounts as soon as possible and to return a draft Trial Balance which will include changes to the income and expenditure accounts for the year. The necessary audit adjustments can be input into Sage 50 before processing year end thus ensuring that the Income and Expenditure figures appearing in the archived accounts and showing as prior year figures for 2019/2020 will substantially agree to the Financial Accounts at 31.8.2019. If there are further changes after processing the year end, the adjustments can be made to the Balance Sheet codes as at 31.08.2019.

- Draft Financial Accounts should be ready for review and ratification by November 30th, 2019.
- The original set of annual accounts must be signed by the Chairperson and another board member. The Principal's signature will not suffice as they are not a member of the board.

- The board must make available a PDF copy of these signed annual accounts to their accountant for submission on the FSSU's secure online accounts submission system.
- The school's external accountants/auditors are required to access a new upgraded version of the FSSU's secure online cloud-based system. They are required to input the school trial balance for the financial year ending 31st August 2019 along with a PDF of the approved Annual Accounts. The deadline for this process is February 28th, 2020. There will be further guidance issued along with training on this new system available in the coming weeks.
- The board are not required to post a signed hard copy of the financial accounts to the FSSU as the signed PDF version submitted online will now suffice.

C. Preparation for Year End 2018/2019

- Before running the year end 2018/2019, post all day-to-day transactions for the year. This ensures that your management reports and year end postings are accurate. Ideally any audit adjustments from the accountants should be posted to the Income and expenditure codes within a reasonable time frame.
- Ensure you have bank statements for all school bank accounts covering the period 1st September 2018 to 31st August 2019 and ensure all bank accounts are reconciled up to 31st August 2019.
- Payroll records: Print individual employee payroll records Tax deduction cards for the period 1st September 2018 to 31st August 2019, print copy of P35 2018 and have a backup of the payroll saved to a memory stick for 2018 and up to 31st August 2019.
- VAT: Review ROS to ensure all VAT returns are filed. Remember you must file VAT returns even if liability is Nil.
- RCT: Ensure all deductions made from Subcontractors for RCT purposes have been returned to Revenue.
- Parents Association: Ensure all financial documentation is made available to the school's external accountant/auditor for inclusion in the annual financial accounts of the school.
- Complete a manual list of creditors at 31st August 2019 (money owed by the school). If using the purchase ledger print an outstanding creditors list at 31st August 2019.
- Complete a manual list of debtors & prepayments at 31st August 2019 (money owed to the school). If using the sales ledger print an outstanding debtors list at 31st August 2019.
- Complete a manual list of income/grants received by the school in the year 2018/2019 that relate to 2019/2020 school year e.g. book grant, transition year charges, school administration charges, voluntary contribution.

- Ensure that the petty cash and visa transactions are recorded for the year and that the balances in the petty cash and visa account are correctly stated at the end of the year.
- Ensure that the balance in the Cash Control Account equates to the amount of cash and cheques held in the safe at 31st August 2019.
- Year-end Adjustments for creditors, debtors and income received in advance should be posted to SAGE 50.

D. Print out the recommended Financial Reports for the year end.

Reports	To Run Reports
Trial Balance	Nominal codes > Trial Balance Nominal codes > Reports > Trial Balance
Balance Sheet	Nominal codes > Reports > My nominal code reports >BOM Balance Sheet
Profit & Loss	Nominal codes > Reports> My nominal code reports>BOM Income & Expenditure Account
Nominal Activity	Nominal codes > Reports> Nominal Activity
Unreconciled Payments & Receipts	Bank accounts > Reports > Unreconciled transactions
Aged creditors report (only for schools using the Supplier module)	Suppliers > Reports > Aged creditors > Aged creditors summary Suppliers > Reports > Aged creditors > Aged creditors detailed Suppliers > Reports > Activity > supplier activity detailed
Aged debtors report (only for schools using the Customer module)	Customers > Reports > Aged debtors > Aged debtors analysis summary Customers > Reports > Aged debtors > Aged debtors analysis detailed Customers > Reports > Activity>customer activity detailed

E. System Back-Up

Take A Minimum of **TWO Backups** and save to two separate locations (external hard-drive/Network). Name it 'Before Year End'- it is essential to back up the data before running the year end, as this is the **only way** to go back to a pre-year position. Please see Section G for running your year end in Sage 50. Further information or clarification on any of the issues raised in this Guideline can be obtained from the FSSU.

F. Tas no longer Supported – Important to have moved to Sage 50 accounts package

If there are any schools finalising their 2018/2019 accounts in TAS and have not yet moved to Sage 50 please contact the FSSU to arrange for training as the accounts for 2019/2020 must be prepared in Sage 50.

G. Processing the Year End in Sage 50

As noted above we recommend that schools liaise with their accountant and request them to review the school accounts as soon as possible and to return a draft Trial Balance which will include any changes to the income and expenses for the year. The necessary audit adjustments can be inputted into Sage 50 before processing year end and the Income and Expenditure figures appearing in the archived accounts will substantially agree to the signed Financial Statements at 31.8.2019.

Sage 50 has a soft year end, and this means you can post into your new financial year before running the Year End option. It's important to make sure the **transaction date is correct**. A message advises that the date is outside the current financial year, click Ok or Yes. The following reports can be run for the new financial year until you run the year end - Transactional Profit and Loss, Transactional Balance sheets and Transactional Trial Balances reports. Please note these reports are for internal/office use and should not be used for Board of Management meetings.

*To run the BOM reports for the new year which includes the budget for 2019/2020 and prior year figures, the Financial Year End must be run in Sage 50. **Therefore, this year-end process cannot be put off for audit adjustments for too long into the new Financial Year.***

1. Running the Financial Year End

- **Change the program date**-change the program date to be the last day of the financial year. e.g. 31st August 2019.
- **Take TWO backups labelled 'Before Year End'**- it is essential to back up the data before running the year end, as this is the **only way** to go back to a pre-year position. It is advisable to take two backups as a precaution against loss or damage of the backup media.
- If you use Sage Drive or a network of computers, you should run the year end routine at your main site on the computer that holds the data. If you have a large dataset, it may take a little time to run the process. This time will be reduced if you run the routine on the computer that holds your accounts data.
- **To run the Year End, select Tools >Period End >Year End.**
- This will display the year end window and complete all the steps.
- **Archive Data** – select the option to archive data. This will enable you to view old data without having to restore old backups.

- Check the details shown at the bottom of the Year End window are correct before selecting the Run Year End option.
- Click YES if the Year End dates are correct.
- A year end progress screen will appear. Once complete you will be asked if you would like to print the Year End journal. Click ok.
- A final message appears that the financial year end has been completed, click OK.

2. Check Data After Running the Year End

Run a **Brought Forward** trial balance. Select **Modules >Nominal codes >Trial Balance** for the period select **Brought Forward**

- Make sure there are no income and expenditure codes on this report
- Next, Check your data again. **File>Maintenance > check Data**
- Finally take another backup of the data and label it '**After Year End**'
- **Do NOT clear the audit trail.** However, if there are more than two years accounts data on Sage 50 and if Sage processing appears to be slowing down then clearing the audit trail should be considered. Please refer to our Sage 50 section of the website for details on this process.

See '[FSSU SAGE Accounts Manual](#)-Section 8' for full details on the year end

3. The School Budget for 2019/2020 should now be imported. See '[FSSU SAGE Accounts Manual](#) -Section 2.7' for guidance.

4. Once the year end is run, any audit adjustments for the 2018/2019 Accounts should be dated 31.08.2019 and should only be made to Balance Sheet codes with Income and Expenditure adjustments recorded in the Revenue Reserves code 2710.
5. For those schools who want their Income and Expenditure Account showing the prior year, year to date comparatives instead of the full prior year, this optional report along with the instructions on how to copy into Sage 50 are available on the Getting started in Sage 50 section of our website.

Sage 50 Training

We are holding online training/webinar Sage 50 training sessions in this new academic year. The first webinar session in September will cover the running of year end in Sage 50.

Tel: 01-269 0677

info@fssu.ie

28th August 2019