FSSU Video Series

# Preparing the Year-End Accounts Information

## Balance Sheet Overview

## Year End Accounts Preparation Checklist

Before you send your end of year accounts to your accountant for submission to FSSU, please ensure you have completed the following checklist.

| | Action | Completed |
|---|---|---|
| 1 | 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. | ☐ |
| 2 | Ensure you have bank statements for all school bank accounts covering the period 1st September to 31st August and ensure all bank accounts are reconciled up to 31st August. | ☐ |
| 3 | Review the bank reconciliation report as follows:<br>a. Review the list of outstanding payments and receipts on the bank reconciliation to ensure they are accurate.<br>b. Any duplicate entries should be corrected.<br>c. Any outstanding payments/receipts more than six-months-old should be investigated. | ☐ |
| 4 | Ensure that the petty cash and credit card transactions are recorded for the year and that the balances in the petty cash and credit card account are correctly stated at the end of the year. | ☐ |
| 5 | Ensure that the balance in the Cash Control Account equates to the amount of cash and cheques held in the safe on 31st August. | ☐ |
| 6 | Ensure that the balance in the online payment solution clearing | ☐ |

# Year-end Accounts Preparation checklist Balance Sheet Overview

# Further resources

## Preparing for the Year-End

Preparing for the year end is an important part of the school's financial reporting process.
The accounts personnel is responsible for completing the year-end accounts package and gathering the supporting documentation required by the school's accountant to prepare the annual accounts.

To help you with this process, we have developed a range of resources:

**Year-End Guideline and Checklist**
The Year-End Guideline includes a practical checklist to help you complete each stage of the year-end process and ensure all required information is available for the accountant.

- Guideline on preparation of the year end

**Webinar – Preparing for the Year End**
. It provides guidance on getting ready for the Year end process in terms of reviewing and gathering information for the accountant and making use of the FSSU Year end resources that are available.

- Presentation slides

**Year-End Video Series**
Our short videos follow the Year-End Guideline and Checklist, with each topic covered separately. You can watch the full series or go directly to the area where you need additional guidance

# BOM Balance Sheet Report

The balance sheet is a snapshot of the school's financial position at a point in time

Unlike the Income & Expenditure account,
The balance sheet is cumulative – balances carry forward each year

It lists Assets (what the school owns or is owed)
and Liabilities (what the school owes)

The balance sheet review is vital for the accuracy of year end accounts

# When to code transactions to the Balance Sheet

## What to look out for

- High value expenditure
- Useful life > 1 Year
- Capital Budget for School
  - Application to Department for Funding
  - Department Capital Grant received

- Amounts paid relating to the future - Prepayments
- Amounts received relating to future years – Income in advance
- When using control accounts – Revenue / Pension / Payroll
- Income due to the school but not yet received
- Amounts due by school but will be paid into the new financial year - Accruals

## Fixed Asset categories

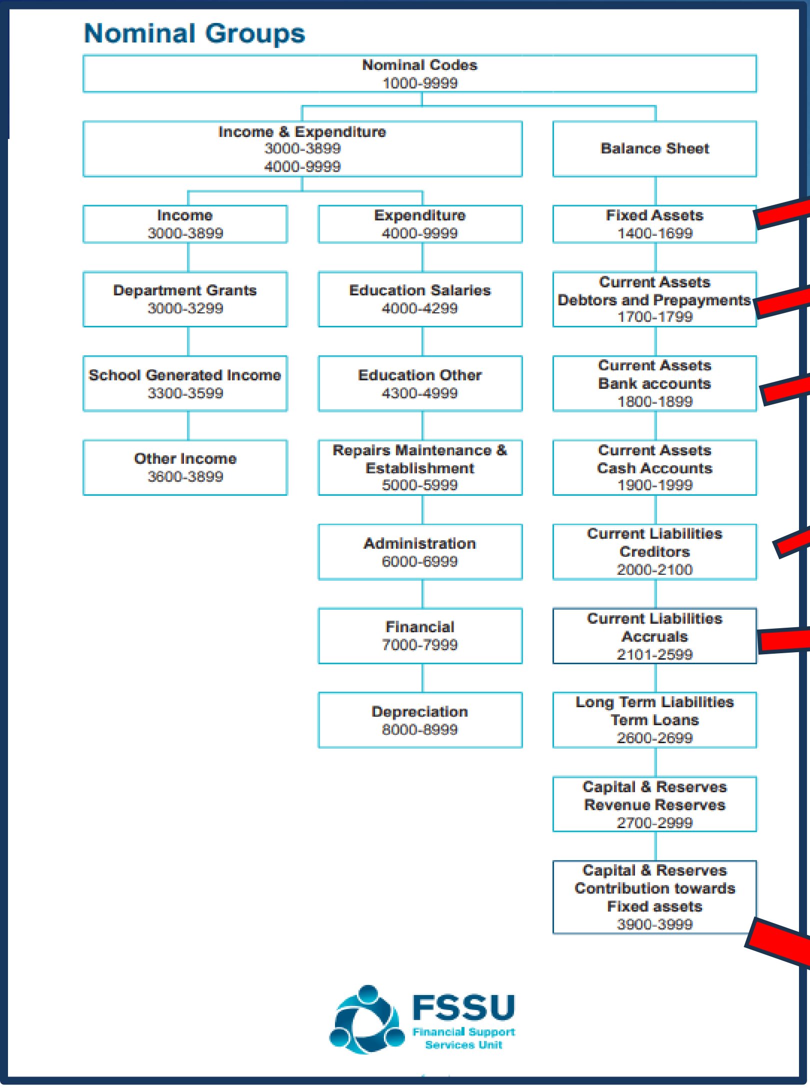
**FF&E**
- Tables/Chairs
- Carpets
- Tiled Flooring

**ICT**
- Laptops
- Whiteboards
- Broadband Installation

**DE Capital Building Grant Expense**
- Structural
- New Classroom
- Rewire

# Chart of Accounts






## Balance Sheet Codes

| A/C No | Description | Type | Category |
|---|---|---|---|
| 1421 | Capital: Fixtures, Fittings and Equipment Additions | Fixed Asset | Fixed Asset |
| 1461 | Capital: ICT Additions | Fixed Asset | Fixed Asset |
| | | | |
| 1700 | Sales Ledger Control | Current Asset | Debtors & Prepayments |
| 1720 | Prepayments | Current Asset | Debtors & Prepayments |
| 1730 | Grants Due | Current Asset | Debtors & Prepayments |
| | | | |
| 1800 | Current Account 1 | Current Asset | Bank |
| 1801 | Current Account 2 | Current Asset | Bank |
| 1802 | Current Account 3 | Current Asset | Bank |
| 1803 | DSP School Meal Bank Account | Current Asset | Bank |
| | | | |
| 2100 | Creditors Control Account | Current Liability | Creditors |
| | | | |
| 2105 | School Income Received in Advance | Current Liability | Accruals |
| 2150 | Grants Received in Advance | Current Liability | Accruals |
| 2151 | Book Grant Received in Advance | Current Liability | Accruals |
| 2152 | DEIS Grant Received in Advance | Current Liability | Accruals |
| 2160 | Book Grant Unspent | Current Liability | Accruals |
| 2170 | Supervision and Substitution Grant Unspent | Current Liability | Accruals |
| 2171 | Other Non-Capital Ringfenced Grants Unspent | Current Liability | Accruals |
| 2172 | Other Non-Capital Ringfenced Income Unspent | Current Liability | Accruals |
| 2173 | Other Capital Ringfenced Grants/Income Unspent | Current Liability | Accruals |
| 2200 | Net Wages Control Account | Current Liability | Accruals |
| 2210 | Union Fees Control Account | Current Liability | Accruals |
| 2240 | PRSA Control Account | Current Liability | Accruals |
| 2241 | Auto-Enrolment Pension Control Account | Current Liability | Accruals |
| 2250 | PAYE/PRSI/USC/LPT Control Account | Current Liability | Accruals |
| 2260 | Reverse VAT Control Account | Current Liability | Accruals |
| 2270 | RCT Control Account | Current Liability | Accruals |
| | | | |
| 3900 | DE Capital Building Grant Income | Capital & Reserves | Contribution Fixed Assets |
| 3901 | Capital Projects Fundraising Income | Capital & Reserves | Contribution Fixed Assets |
| 3907 | Capital Donations Income | Capital & Reserves | Contribution Fixed Assets |
| 3920 | DE Fixtures, Fittings & Equipment Grant Income | Capital & Reserves | Contribution Fixed Assets |
| 3921 | DE ICT Grant Capital Income | Capital & Reserves | Contribution Fixed Assets |
| 3940 | DE Capital Building Grant Expense | Capital & Reserves | Contribution Fixed Assets |

# Fixed Asset Review

- Fixed Assets Debit Balances
  - Fixtures & Fittings Cost 1420
  - Fixtures & Fittings Additions 1421
  - ICT Cost 1460
  - ICT Additions 1461
  - *Depreciation Credit balances Accountants*
  - *Disposals*

- ***Opening balances are the Accountant's figures***
- ***Supporting paperwork for additions***
- ***Review nominal ledger postings***
- ***No netting of grants against these codes***

# Fixed Asset Review - Additions

**Sample Assets Register**

| Quantity | Item | Cost | Date Purchased | School Dept. | Where Kept | Identity No's. |
|---|---|---|---|---|---|---|
| | **COMPUTERS** | | | | | |
| 3 | HP 7300 | €3,120.00 | 03/11/20XX | IT | Computer Room | S/CP/1-3 |
| | | | | | | |
| | **OFFICE EQUIPMENT** | | | | | |
| 16 | Book Shelves | €3,416.00 | 03/08/20XX | Library | Recourse Room | T/Sa/1-16 |
| | | | | | | |
| | **ART** | | | | | |
| 12 | RAC/51 Electric Kiln | €22,188.00 | 08/06/20XX | Art | Art Room | ART/K/1-12 |
| | | | | | | |
| | **AUDIO-VISUAL** | | | | | |
| 6 | O/H Projectors | €2,600.00 | 02/03/20XX | Education | Rooms 1,2,3,6,7,12… | |

**Balance Sheet**
**Fixed Assets**
**Fixed Asset**

| | | |
|---|---|---|
| 1421 | Capital: Fixtures, Fittings and Equipment Additions | 25,604.00 |
| 1461 | Capital: ICT Additions | 5,720.00 |
| | | **€31,324.00** |

# Current Assets Review

- Current Assets Debit Balances
  - Debtors 1700 -1705
  - Prepayments 1720
  - Grants Due 1730
  - Bank Balances 1800 - 1950

- ***Opening balances are the Accountant's figures***
- ***Bank Reconciliations are complete and accurate***
- ***Review nominal ledger postings***
- ***Closing balances can be explained***

# Current Liabilities Review

Current Liabilities Credit Balances

- Suppliers 2100
- Income in advance 2105
- Grants received in advance 2150 - 2152
- Unspent Grants 2160 - 2187
- *Ringfenced Grants*
- *Control Accounts Accruals*

» ***Opening balances are the Accountant's figures***
» ***Relevant journal adjustments are made at 1.9.20XX***
» ***Review the nominal ledger postings.***
» ***Closing balances can be explained***

# School Capital & Reserves Review

School capital projects

Financed By:

School capital projects

- Reserves 2700 2710 (B/F)
- DE Capital Building Grant 3900
- DE ICT Capital Grant 3921
- DE FF&E Capital Grant 3920
- DE Cap Building grant **expense 3940**
- *Amortisation*

- ***Opening balances are the Accountant's figures***
- ***Capital grants are reflected in this section***
- ***Review nominal ledger postings***
- ***Maintain supporting paperwork including Capital expenditure reports for ongoing capital projects***

# Balance Sheet Overview

## School Assets

- Fixtures and Fittings
- ICT
- Debtors and prepayments
- Bank

## School Liabilities

- Suppliers
- Grants / income in advance
- Unspent grants
- Revenue due
- Pensions due

## Financed By:

- Capital & Reserves
- Reserves B/F
- Contribution towards fixed assets
- Income and expenditure balance for current year

# Balance Sheet – Guidance Note



| | Balance Sheet Key Headings | Checking for Accuracy & Completeness | Opening Balances @ 01/09/20XX | Journals 01/09/20XX | Transactions for the financial year | Closing balance@31/08/20XX Year end accounts file Aug 20XX |
|---|---|---|---|---|---|---|
| 1 | Fixed Assets *1400 range* | Year End aduit adjustments for Aug 20XX are vital for accuracy | Accountant will verfy Trail Balance B/F | N/A | N/A | Accountant should supply any necessary journal adjustments |
| | Additions *1421/1461* | Check the posting in the nominal activity & have the supporting paperwork | Nil assuming prior year balance was adjusted out | N/A | Eusure it is capital expenditure | Nominal activity report<br>Copy of invoices<br>Fixed Asset Register |
| 2 | Current Assets<br>Prepayments *1720*<br>Grants Due *1730* | Verify the movements on the account & be able to explain the balance | Openining balance will be a debit | Journal will be a credit | *Schoolbooks for the next academic year<br>*Insurance pre-paid<br>*State exam income | Nominal activity report<br>Copy of invoices<br>Calculations |
| | Bank *1800-1900 range* | Bank reconciliations for all accounts with no old or duplicate O/S items | | N/A | Consistentently reconciled throughout the year | Check balance: bank rec reports, agree with the balance sheet. |
| 3 | Current Liabilities<br>*2100 range*<br>Supplier Ledger<br>Unspent Grants<br>Grants rec in advance<br>Control Accounts<br>Accruals | *Supplier statements & aged creditors report @ 31/08/20XX<br>*Verify the movements on the accounts & be able to give a breakdown of the balance at year-end | Opening balance will be a credit | Journal will be a Debit | Journals for unspent grants | Total on suppliers ledger listing 31/08/20XX agrees to the creditors control a/c 2100<br>Calculations for unspent grants<br>DR remittance for grants in advance<br>Revenue returns showing balances due<br>Nersa statement showing balances due<br>Accurals list with supporting paperwork |
| 4 | Reserves & Contributions to Fixed Assets | *Correct opening balances<br>*3900/3940 department reports | Crucial to have correct opening balance | | All capital grants<br>Capital expenditure | Nominal activity report<br>Supporting paperwork including BoM capital report |
| 5 | Balance on the I&E showing at end of balance Sheet | As per the bottom line of the Income & Expenditure Account on the 31/08/20XX | | | | |

FSSU Financial Support Services Unit ©

# Summary of Key Points

**Build your confidence –understanding the balance sheet balances verifying accuracy of the final accounts**

- Familiarise yourself with the FSSU Chart of Accounts- balance sheet terminology
- Look up nominal activity to review postings for all balances
- Check opening balances match the accountants' figures
- Verify accuracy of closing balances
- Supporting paperwork for all balance sheet balances
- Cross check final reports to ensure they tie in

# FSSU Contact Details

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**Please contact the FSSU if you need support.**


**www.fssu.ie**

# Thank You

FINANCIAL SUPPORT SERVICES UNIT (FSSU)