



To: Headteachers and School Business Officers
of all maintained nursery, primary,
secondary and special schools

Eddie Grant

Senior Finance Business Partner
Children's Services
County Hall
Matlock
Derbyshire
DE4 3AG

Telephone 01629 538748
Email eddie.grant@derbyshire.gov.uk
Ask for Eddie Grant
Our ref EG140
Your ref
Date 28th February 2024

Dear colleague,

Accounting for goods / services in the correct financial year and carrying forward income received in advance

Under accounting principles all income & expenditure should be accounted for in the period that it relates to (subject to the materiality concept). The key question in determining which year income / expenditure should be accounted for is not when it is actually made but when goods / services are received i.e. goods and services received up to 31/03/2024 will relate to the 2023-24 financial year.

Schools can ensure this happens by receipting goods in Orderpoint and approving invoices in VIM prior to the year-end. There will also be an automatic write-back for invoices which are approved in VIM in 2024-25 but have an invoice date relating to 2023-24. This will only happen for VIM invoices approved up to and including a cut-off point of **Thursday 4th April**, with no further write-backs taking place after this date.

If schools find they are unable to achieve this (e.g. due to a dispute over an invoice) then a School creditor request spreadsheet is attached to the [Schools financial year-end page on SchoolsNet](#), which schools can complete to ask for an adjustment to be made to the accounts. This should only be completed if it makes a material difference and should be returned to eddie.grant@derbyshire.gov.uk by **Thursday 4th April** at the latest. Schools will also need to provide evidence to external audit, if requested, to show that any goods / services were actually received in 2023-24.

The same principles also affect the accounting treatment for grant income received which will normally fall into one of the following categories:

- The grant has to be spent (goods and services received) by 31st March or the balance of the grant has to be repaid. In this instance the unspent grant should be treated as a creditor, reducing the amount of income from the grant in the current financial year and carrying it forward to the next financial year to offset the repayment.
- The grant is for a specific purpose but can be spent after the year end. The balance of the grant can be carried forward as income in advance to be spent by the deadline (thereby not distorting the school's carry forward position).
- The grant hasn't been awarded for a specific purpose and doesn't have to be repaid. The grant should remain in the financial year it was received.

Again, a School income in advance spreadsheet is available on the [Schools financial year-end page on SchoolsNet](#) which schools can complete to make requests for material adjustments to be made to the accounts. Any request will need to identify where the original income has been coded to so that it can be moved into the next financial year (rather than identifying codes where schools are planning to make the expenditure from). This should also be returned to eddie.grant@derbyshire.gov.uk by **Thursday 4th April** at the latest and again schools will need to provide evidence to external audit if requested.

Some schools have also raised concerns that they are holding money on behalf of a group of schools which will distort their year-end position. The [School income in advance form](#) can be used to identify such monies to arrange for these to be carried forward separately from the school balance.

If you have any queries on these matters, then please contact your school support finance contact in the first instance.

Yours sincerely



Eddie Grant
Senior Finance Business Partner