

Schools Finance Training Guidance

New Administration

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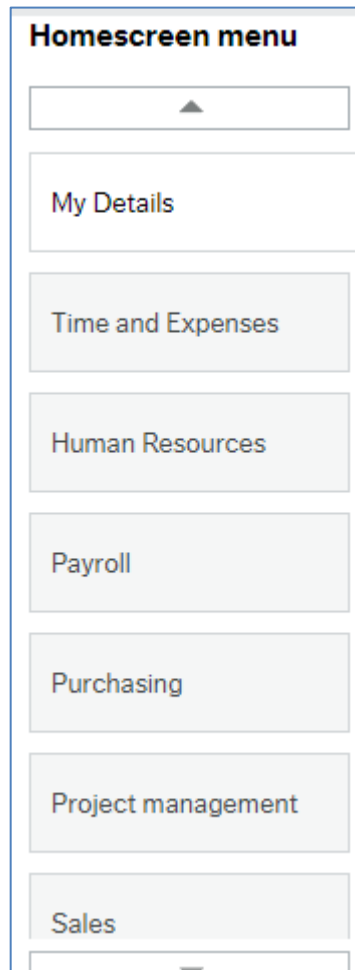
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NOTE: Some of the information contained in this training documentation / course is also covered in other specific Schools Finance Training Guidance documents and courses

Business World Navigation

Once you are logged onto Business World (BW) you will be presented with a menu down the left hand side of your screen.

Menu



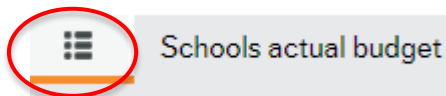
If due to the size of the screen you are unable to see all of the menu you can use the up and down arrows at the top and bottom of the menu.

Click on the required menu option where you will be presented with a sub menu.

Sub Menus

Within the sub menu you will be able to select a required transaction or report. There may be a requirement to expand the sub menu to get to the required option.

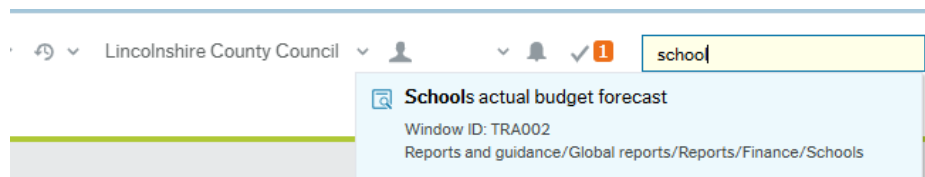
Once you have selected a transaction/report it will open up. If you want to go back to the main menu, click on the icon as shown below.



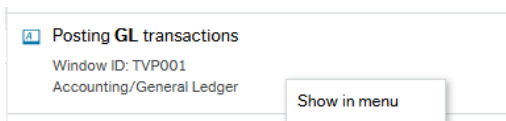
Search Facility

Within BW there is a search option which can speed up finding what you want. It will also show the menu path so if you are unsure where to find a transaction or report this option may help.

- The search box can be found at the top right hand corner of the screen. You will need to start typing the report or function you are searching for and then BW will bring up a list of options.



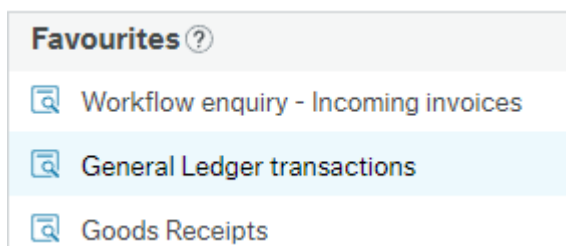
If you right click on the option that that the Search suggests, a dialogue box will appear “Show in menu”, if you select this, the home screen menu will display the option you have selected and you can see which folder this is in.



Adding/Removing Favourites

Within BW you are able to create a favourites list. This will allow you to quickly access transactions or reports without having to use the search facility.

- To create a favourite, you will need to access the transaction or report first
- Once you have accessed what you require you will see a heart icon at the top right hand corner of your screen
- To add to your favourites menu, click on the heart icon. The report/transaction will now be available on your home page favourites list. Favourites show with a blue square icon with the heart

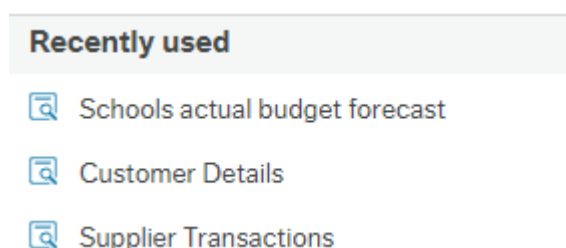


- To remove a transaction/report from the favourites menu, access the report and click the heart icon. This will remove the blue square and removed from your favourites list.



Recently Used Menu

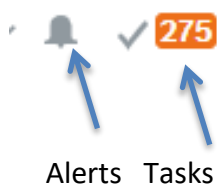
On the main BW screen there is another menu which shows recently used transactions/reports that you have accessed.



You can select from this menu to quickly access what you require. The most recently accessed option will appear at the top of the list.

Task Management and Alerts

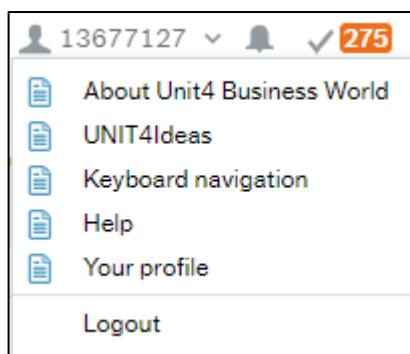
When you receive a task or an alert these will be displayed at the top right of the screen. To access these items, click on the task or alert and further information will be displayed.



It is crucial that you deal with tasks urgently. Failure to do so could delay payment to suppliers which could result in suppliers taking action against schools for non-payment.

Logging Out

To log out, click on your username at the top right of the screen where you will have the option to log out.



Reporting

How to Access Reports

Finance reports in BW are all accessible under the sub-menu Accounting > Reports and guidance > Shared > Schools.

The Employee Cost Report is located within Reports and guidance > Global Reports > Finance > Payroll.

Search Parameters

When running reports on BW schools are required to complete the Selection criteria section of the report to return the information that they require. These normally consist of the period and the cost centre. Fields that are mandatory are marked with a red asterisk.

The example below is from a Schools Departmental Report.

Different Types of Reports

Schools have access to several key financial reports that support effective budget management and strategic planning. Each report serves a distinct purpose and should be used regularly to maintain financial control and compliance.

Consistent use of the reports detailed below helps ensure:

- Accurate forecasting and financial planning
- Early identification of risks and corrective actions
- Compliance with funding conditions and policies
- Transparency and accountability for Governors and stakeholders

Schools actual budget forecast

- This report is crucial for budget monitoring as it is the one report which contains the forecast schools calculate relating to budget share and grant funding. Forecasting and the use of this report has a number of benefits:
 - Supports financial and scenario planning by assisting with the projecting of future income and expenditure
 - Highlights actions required before year-end to prevent or reduce deficits
 - Ensures compliance with the carry-forward policy
 - Assists with budget preparation and ongoing monitoring
 - Provides a clear financial position for Governor meetings

This list is not exhaustive; it shows some of the benefits of using the report.

- Run this report monthly, ideally on or after the 18th of the month, to ensure forecasts remain accurate and up to date
- This is typically the main report used for Governing Body Reporting
- Ensure that budget share and individual grants are monitored independently using this report

Schools Departmental Summary

- This report gives an overview of departmental budgets and spending. It is particularly useful after funding allocations such as early years, intervention, high needs, and other grants. It is useful for schools that maintain a large number of departments and choose to manage and monitor budgets at that level.

Benefits include:

- Enables financial and scenario planning
- Identifies potential overspends or underspends early
- Confirms that spending and carry-forwards comply with grant conditions
- Assists with budget preparation and monitoring
- Provides a summary for Governor meetings

This list is not exhaustive; it shows some of the benefits of using the report.

- For schools that budget and monitor at departmental code level, run this report monthly, typically on or after the 18th of the month, when funding updates are processed.

Schools Departmental Report

- This report provides a detailed breakdown of each individual transaction that the school has paid and allows access to a copy of the invoice for checking/cross-referencing. Schools must run this report regularly as it is the only report that shows the detail

required to accurately monitor budgets to ensure all transactions are legitimate and coded correctly. It is absolutely crucial for financial control and audit purposes.

Running this report has all the benefits of the other reports but has the added benefit of detailed transaction-level visibility for reconciliation and compliance checks. It also enables schools to identify any miscoding's and investigate unexpected variances.

- Run this report monthly, on or after the 18th of the month, following funding updates.

Employee Cost Report

- It is advised to run this report on a monthly basis, normally on or after the 23rd of the month as this is when the payroll is uploaded to BW. The data from this report is uploaded into the SBS Financial Planner and must be reconciled on a monthly basis against the staffing data set up in the SBS tool.
- Performing a detailed monthly reconciliation of payroll data is essential to:
 - Confirm that the school is being charged accurately for its total staffing establishment
 - Ensure all employees are paid correctly
 - Prevent charges for staff who are no longer employed by the school
- Regular reconciliation safeguards financial integrity, avoids unnecessary expenditure, and ensures compliance with staffing budgets.
- To support an improvement in financial management standards, an Accountability Framework has been published which sets out the expectations placed on schools, together with the support they can expect to receive from their finance business partners within the Schools Finance Team. This framework is available on Perspective Lite: LA Documents > Schools Finance Team > Policies

Other reports

Establishment report – showing filled positions and vacancies, including contracted hours, grades and any other relevant staffing details.

Commitments report – showing open purchase orders and outstanding commitments.

Aged Debt report – showing outstanding invoices raised by the school. Schools must actively monitor and manage outstanding debts to minimise financial impact and support budget integrity. Unpaid debts will directly impact the schools budget.

Payroll Reconciliation in the SBS Financial Planner

Schools should complete a monthly payroll reconciliation in the SBS Financial Planner system. A guidance document for this is available on Perspective Lite.

Purchasing Options

There are a number of purchasing options available to schools. Further information is detailed below.

Quantity Based Order

- Raised for the order of goods and services such as craft materials or room hire for a fixed cost and quantity.
- Not to be raised where multiple invoices of varying amounts across the year are received and the quantity and/or price of any single delivery has not been confirmed or where an invoice will not be produced, for example interview expenses or grant payments.
- Purchase Orders should not be closed until all related invoices have been paid.
For example, for an annual contract for grounds maintenance, the annual cost will be known and the number of invoices to be received a year will be known. For this example we will say £1,200 over 12 months. Therefore, a quantity based order should be raised for a quantity of 12 at a value of £100 per item would be raised.
- A value order of 1 should not be raised for orders that are similar to the example above.
- The only time that a value order should be raised if there is one item and the cost is unknown.

Value Order

- Raised where multiple invoices of varying amounts for goods or services are received across the financial year, and there is uncertainty over the quantity and / or price of any single delivery.
- Value Orders should not be closed until all invoices relating to it have been paid.

Correct VAT Coding on Purchase Orders

- There have been several instances where schools have incorrectly assigned a variable product with a P (0%) VAT code. This issue occurs most frequently on value orders, where multiple invoices are raised against the same purchase order throughout the financial year.
- When an incorrect VAT code is applied each subsequent invoice linked to that purchase order requires manual correction. This process can significantly delay payments to suppliers and increases administrative workload.
- At the beginning of each financial year, schools should review their existing purchase orders and ensure the correct VAT codes have been selected.
- If a purchase order is identified as having an incorrect VAT code, schools should amend this as soon as possible or contact the Accounts Payable team for advice and support.

No Purchase Order No Payment - Exempt Invoices

- Even where a supplier is exempt from quoting a Purchase Order (PO), under the new No PO No Pay (NPONP) policy, it remains a requirement that a PO is raised internally once the invoice has been received. This ensures that all goods and services are commissioned through the standard procurement route and supports robust financial accounting and audit practices. Schools using BW will receive a Proactis link to provide a PO in this scenario.
- This only applies when the category of spend being paid for is on the pre-agree list of exemptions for NPONP. Examples include utilities, business rates, and telephone bills.

One Time Payment

- For payments where no invoice will be received for example to individuals, interview expenses.

Procurement Card

- A corporate procurement card is a payment method, similar to a personal credit card, where spend is incurred and paid at the end of the period via bank transfer. It should only be used for making business purchases that cannot be made on BW and must not be used for personal purchases. A single transaction limit should not exceed £1,000.
- There are limited instances where payment by procurement card is a necessary business need for certain circumstantial and access reasons.
 - Circumstances - may include staff who have responsibilities to deliver services outside of normal working hours, at off-site locations or need to make purchases in urgent/emergency situations.
 - Access – includes staff who need to regularly access certain goods or services for which payment is required at the point of purchase and/or purchase orders are not accepted. Staff will be expected to demonstrate that there are no reasonable alternatives (such as alternative suppliers) or purchase order availability to negate the need to use a P-Card.
- Examples include:

Reason	Type of Need/ Spending Situations	Example Scenarios – this is not an exhaustive list
Circumstantial	On-site emergency / urgent situations	- Emergency safe and secure response for break-ins or incidents occurring on LCC premises (including schools) out of hours and where a supplier cannot accept a respective invoice & PO - To repair/replace essential items associated with staff welfare - To order/pay for emergency transport/travel costs for pupils in the school's care (not for staff)
	Off-site purchases	Paying for activities, goods or services associated with off site visits for pupils in the school's care (i.e. the purchase must be for their benefit and not for staff)
	Mitigating payment method for emergency responses (recorded in business continuity plans)	Risk mitigation for off-site events when making a purchase following an issue arising (i.e. breakage, loss, or depletion of resources) will enable the continuation of attendance and prevent loss of investment (and where a supplier cannot accept an invoice & PO)
Access	Making purchases from suppliers that require payment at the point of purchase and/or will not accept a P.O.	- Bookings for accommodation, travel, and events - Subscriptions, licenses, and fees for on-line services (e.g. advertising) excluding personal/professional memberships - Food and beverage supplies related to service provision (Schools, Children's, Adults – Jury's/Day Centres) - Mail order teaching and educational resources - Building and vehicle materials, supplies, and services - Professional / specialist training - Specialist waste/cleaning services - Government/regulatory services

- Purchases that are under the value of £1,000, where the supplier is unable to provide the service through the normal requisitioning process on BW
- Regular urgent payments due to lack of planning are not considered acceptable use.
- The following are examples of where it is **not** appropriate to use the procurement card for purchases:
 - To pay invoices or statements which are on BW including utility bills
 - Cash like transactions such as gift cards and vouchers (unless these are for pupils as part of dissemination of hardship funding).
 - Staff lunches, celebrations or Christmas lunches, Gifts (including flowers) for staff or for special occasions.
 - Meals, snacks, refreshments or food in general, other than what is permitted above.
 - Alcohol, tobacco products, vapes, legal medication, other age restricted items and cash withdrawals are strictly prohibited.
 - Car parking fees and fuel costs where an expenses claim should be made. Please refer to the Travel & Expenses policy for more information.
 - Professional memberships related to an employee's role must be claimed through the expenses process.
 - IT equipment and software. An IT ticket should be raised to request new software and equipment ordered through the Product Catalogue.
 - Internal payments. These should be processed as recharges to the other school / LCC department.

- Card holders are responsible for any spend on the card and only the card holder must use their card.
- Card holders must obtain a valid VAT receipt each time they make a purchase on the card and complete a transaction log and cross-reference the two, for audit purposes.
- The transactions must be coded on the transaction log within two weeks of the administrator receiving the information and all receipts uploaded to Business World as part of the mandatory process.

All procurement cardholders must read and understand the requirements of the Schools Procurement Card Policy, which provides further important information in addition to the guidance e provided here.

When the Policy is updated annually, this will be communicated and an updated version will be held on Perspective Lite. Cardholders are responsible for ensuring they are familiar with the current Policy and must refresh their understanding at least annually, or sooner if updates are communicated, whichever occurs first

The latest policy is available on Perspective Lite:
LA Documents > Procurement Card

School Sundry Account Expenditure

- School Sundry Account Expenditure. This will be covered later in this document and is only relevant to Special schools and Secondary schools.

Goods Receipting

A Goods Receipt must be completed on BW as soon as the goods / services have been received. This confirms that you are happy for payment to be processed once the supplier has submitted their invoice. If the Goods Receipt action is not carried out it could result in payment to the supplier being delayed. If the supplier submits their invoice before you have processed a Goods Receipt, or if there is an existing Goods Receipt but the value or quantity do not match the invoice, the payment will not be released. You will receive a Receive Goods task which will need to be completed to ensure payment goes out to the supplier.

Good receipts can be:

- Full
- Partial with balance to receive
- Partial with balance cancelled
- Partial to complete an order

The guidance document relating to Goods Receipting is available by following the menu path:
[Entering a Goods Receipt : . \(freshservice.com\)](https://freshservice.com)

Business World Housekeeping and Task Completion

Purchase Order Approval Task

- This task is received when a purchase order has been raised and the value is less £1,000.
- The task comes through to the Spend Manager for approval to confirm that they have approved the order.
- You must check the task to ensure the details are correct; it is advised to check the following:
 - The supplier the order has been raised to is correct
 - The ordered items are what you are expecting
 - The amount of the order is correct
- If the order is correct, you will need to click on the Approve button, this will then release the purchase order and the order will go through to the supplier.

Further information can be found in the BW guidance available on fresh service [How to Approve a Requisition within BW : . \(freshservice.com\)](https://freshservice.com)

Closing Open Purchase Orders

Any Purchase Orders that you are no longer expecting an invoice for need to be closed down.

To close Open Purchase Orders or cancel lines on a Purchase Order the guidance is available by following menu path: [Open Purchase Orders : . \(freshservice.com\)](https://freshservice.com)

Receive Goods Task

Once the goods or services you have ordered have been received you must complete a goods receipt. A receive goods task should only be completed if you are unsure of the amount the invoice is for on a value based order, or, if the invoice arrived before the goods/services are delivered for a quantity based order.

- This task is received when an invoice is linked to a purchase order.
- Check the Order number quoted on the Missing Goods Receipt Tasks is correct. If the purchase order number is incorrect an incorrect supplier may be paid and the correct supplier will not be paid.

Receive Goods Task - Receipt Already Exists

- This is the same as the missing goods receipt task and you need to complete the same checks as above.
- The difference between the two tasks is that a box will appear across the top saying 'Existing receipts were found'.
- This means that a goods receipt has already been entered on the system and the line on the invoice or part thereof has been matched to this goods receipt. However, there may

be a difference between the price/quantity on the goods receipt and that on the invoice. You should investigate to confirm the receipt already entered is correct.

- If you are happy for the invoice to progress, click the Receive goods button. The task will then continue in workflow for payment or spend/budget manager approval as appropriate.

Cancelling Goods Receipts

The current status/type of Purchase Order may require you to take different actions. You may need to cancel a goods receipt if an invoice is not to be received. To cancel a goods receipt a goods return will need to be completed in BW. This can be located from the following menu path: Purchasing > Purchase Orders > Goods Received.

Supplier Invoice Approval Tasks

- A supplier invoice task is generated when a purchase order has not been raised therefore the invoice has nothing to match against, for example a rates invoice.

For each such invoice you will receive a Proactis task.

- A purchase order will need to be raised.
- When raising such orders select R2. This will prevent the purchase order being sent to the supplier.
- Enter the purchase order number on the Proactis task and submit.
- This process needs to be followed for all such tasks including Rates invoices.

When a Spend Manager or Budget Manager processes a task through BW this is effectively them providing authorisation. It provides an audit trail in the system and should be viewed as the equivalent of the Headteacher manually signing their authorisation on a paper document. It is important that the Headteacher is satisfied that all tasks that they authorise are legitimate and provide best value.

SBMs need to ensure tasks are processed in a timely manner to ensure that financial documents are progressed through the system.

Procurement Card Tasks

Procurement card tasks need to be processed in a timely manner.

The guidance for Procurement Card administration is available by following the menu path:

[Procurement Card Recoder Task : . \(freshservice.com\)](https://freshservice.com)

There are a number of BW tasks an administrator / spend manager may receive. Further information is provided below. Please also refer to further information available: [12\) Schools : . \(freshservice.com\)](https://freshservice.com)

Creating a New Supplier

Suppliers on Business World

A requisition can only be raised to a supplier that is registered in the BW Supplier Masterfile. If they are new you will need to create a New Supplier Request, this will workflow through to the headteacher for authorisation before routing to Masterdata Team for approval.

Comprehensive Guidance relating to suppliers is available by following the menu path: [Create and Amend a Supplier : . \(freshservice.com\)](#)

The guidance covers:

- Supplier Search
- New Supplier Request
- New Supplier Request Attachments Task
- Amend the Contact Details of the Supplier
- Amend the Bank Details of the Supplier

Before raising your new supplier request you will need to ensure you have contacted the supplier to obtain all the relevant information. This information must be provided by the supplier and where possible on company headed paper and emailed to the requisitioner in PDF or TIF format or a copy of the supplier invoice.

The supplier will need to include the name of the company, address, telephone number and email address. They must also provide their bank details, this includes the bank name, name on the account, sort code and account number. Where applicable they should include their VAT registration number and company registration number. The supplier will also need to confirm any alternative address of where purchase orders and remittances should be sent to, if different from their main address.

Rejected Supplier Task

A new supplier request could be rejected for a number of reasons:

- Masterdata may not approve the request as the supplier is already set up on the system or there is a more appropriate supplier you should be using.
- When one of the approvers rejects a new supplier request you will receive an Amend Supplier Request Form task.

There are two options depending on the reason for rejection;

- Amend the new supplier request and resubmit
- Cancel form

Amending an Existing Supplier

Be fraud aware. Before amending supplier details make sure you obtain independent verification that the information provided is genuine, for example, Google the supplier to check their details. Telephone the supplier from your Google search and ask them if their details have recently changed. Do not rely solely on contact details provided on any notification you may have received.

- If a supplier already exists but, for example, the company have moved site, you will need to request for the supplier to be amended.
- Guidance for completing amendments can be found following the link: [Create and Amend a Supplier : . \(freshservice.com\)](https://freshservice.com). Complete the online form. Upon completion the form will generate an email that is sent to masterdata for them to approve or reject.

Checking Supplier Payments

To run the report, you will need to navigate to **Reports and guidance > Global reports > Reports > Financial Management > Purchasing > Transactions > Supplier Transactions**

- Enter the supplier number, if unsure of the number; click the value look up box on the right of the Supplier Id like. This then allows you to search for the supplier.
- Once you have found the supplier you require click on search.
- You can search on the invoice number or transaction number.
- The due date is not necessarily the payment date as the invoice may have been received after the due date or not processed prior to the due date.

Viewing the Remittance Advice

- You can use the Supplier Transactions report to check when an invoice has been registered (along with the Goods Receipt screen) and this will give you a Due Date and Payment Date. If there is no Payment Date, please follow the steps above to identify a possible hold up. If there is a Payment Date please click on the blue Supplier Id, then the blue paperclip and scroll through to obtain the Remittance Advice.

Income

There are a number of controls that schools should have in place:

- All income should be recorded at the point of receipt using approved methods. The income team can provide you with the facility to provide **official** receipts which should be issued **for every cash payment or by request on other types of income**.
- A receipt spreadsheet unique to your establishment is available and uses a series of macros to record the information as each receipt is processed. The instructions for using

the spreadsheet are detailed on the 'Instructions' tab of the spreadsheet that will be provided to you. To receive this spreadsheet email the Income Central Finance Team: income@lincolnshire.gov.uk

- Segregate duties between receipting, banking and reconciliation where practicable
- Store cash securely (locked cash box/safe) with restricted access
- Bank intact and promptly, never make encashments or cash personal cheques from income
- Retain evidence (receipts, control sheets, approvals) as per retention policies
- If you receive remittance advices from suppliers, for example in relation to childcare vouchers, these should be sent to: eremittance@lincolnshire.gov.uk. This will enable the Income team to allocate the income correctly
- All other income queries including the ordering of paying-in books should be directed to income@lincolnshire.gov.uk

Payments from parents

Lincolnshire County Council frequently receives payments directly from parents. Unfortunately, these payments are untraceable unless a cost code is included in the payment reference. Where a cost code is missing, resolving the payment can take a considerable amount of time.

School Business Managers are therefore asked to remind parents not to make payments directly to Lincolnshire County Council unless they clearly include the reference. For example:

Child's Name and Cost Code

Lodgements

Raising a Lodgement

A lodgement is process of depositing income to the bank account through the finance system.

The guidance document relating to lodgements is available by following the menu path:

[HeyCentric - EReturns \(Income\) - Enter LCC Lodgements : . \(freshservice.com\)](#)

[HeyCentric - EReturns \(Income\) - Enter School Card and Voucher Lodgement : . \(freshservice.com\)](#)

A92050 – School Card and Voucher Payments (Holding Code)

A92050 – School Card and Voucher Payments is a holding code used to temporarily record income received via card and voucher payment systems before it is formally allocated to the appropriate income codes through HeyCentric E>Returns.

As a holding account, balances should not remain on A92050 for extended periods. Schools should ensure income is coded and allocated on a regular basis to maintain accurate financial records throughout the year.

Failure to clear balances promptly can result in:

- An inaccurate representation of the school's financial position
- Difficulties when monitoring budgets and producing financial reports
- Additional work investigating and allocating historic transactions
- Avoidable issues during year-end procedures and financial reviews

Regular monitoring of A92050 and timely allocation of income will help ensure financial information remains accurate, up to date, and available for effective financial management and decision-making.

Good practice: Schools should review A92050 as part of their routine financial monitoring processes and keep any outstanding balance to a minimum by coding income through HeyCentric E>Returns at the earliest opportunity. A92050 should not be used as a long-term holding account, and income should be allocated promptly throughout the year rather than being left until year-end. The balance on this code must be **zero** at financial year-end.

Customers on Business World

Checking for Customer on Business World

Before creating a new customer, you should carry out the following three point search to prevent the duplication of customers on the system. Navigate to **Sales → Customer Information → Customer**.

Perform a search using all available fields within the Advanced section of Value lookup by selecting the ellipsis (3 dots) next to the Lookup box.

The screenshot shows the 'Customer' form in Business World. The form has tabs for Customer, Contact information, Invoice, Payment, Relation, Action overview, Transactions, and Direct debits. The 'Customer' tab is active. It contains sections for Classification, Customer identification, and Notes. The 'Lookup' field in the 'Customer' section has a red box around the ellipsis (3 dots) icon.

In the next screen, Value Lookup, select the down arrows next to the heading 'Advanced' to show advanced search options.

At least three different searches should be attempted to prevent duplication of customers, e.g. Name, Postcode and Town / City. Throughout the process you will need to use the tab function while navigating from field to field.

The screenshot shows a 'Value lookup' window with a message 'Your search produced no results.' Below this is a 'Search criteria' section. The 'Advanced' tab is selected, indicated by a red box. The search criteria are organized into two columns. The left column includes fields for Customer ID, Short name, Customer group (T), Address, Town / City (with 'Lincoln' entered), IBAN, and Credit limit. The right column includes fields for Name (with 'Bennett*' entered), Customer group, Company registration number, Post Code (with 'LN1*' entered), Bank account, and Swift. A 'Search' button is located at the bottom left of the form.

If a customer does not exist in BW a new record will need creating. This enables schools to create sales orders.

Creating / Amending a Customer

- Guidance for creating / amending customers can be found following the link: [Create and Amend a Customer : . \(freshservice.com\)](#). Complete the online form. Upon completion the form will generate an email that is sent to Accounts Revenue Masterdata Team for them to approve or reject.

To help ensure requests are processed accurately and without delay, please ensure the following checks are completed when submitting a new customer request:

- Confirm that the customer is not already set up on the system
- Verify the address using the [Postcode Finder - Find an address | Royal Mail Group Ltd](#)
- Ensure the County is included in the address
- Include a telephone number and, where available, an email address

Providing complete and accurate information at the point of request helps reduce delays and prevents the need for follow-up queries.

Sales Orders

- Sales Orders must be raised before a Sales Invoice can be created.

- Sales Orders should not be raised for less than £50. Instead payment should be received in advance (LCC are charged for every invoice raised, hence the £50 limit).
- Sales Orders should be raised on BW by selecting Sales Orders in your Customer and Sales menu.
- Schools are reminded of the importance of regularly monitoring their outstanding debt.
- Schools have a responsibility to work with individuals / companies where debt has been raised and the Credit Control Team at LCC to ensure repayments are made on a regular basis.
- When a school raises an invoice, a credit is placed against its budget. If later it appears that the debt won't be paid, a bad debt provision is raised. The impact of this is to put a debit against the school's budget. Please note that the Council's policy is to create a bad debt provision on 31st March every year if the debt is more than 12 months old. If the debt is later recovered, the bad debt provision is reversed, and the school's budget is credited again. However, if the debt is deemed irrecoverable it is written off against the bad debt provision and there is no further impact on the school's budget.
- Debt write offs must comply with LCC authorisation limits and must be supported by evidence that proportionate recover action has been attempted. Schools must consult Credit Control for amounts above legal delegation limits.

Guidance for creating sales orders can be found following the link: [Seller - Sales Order : . \(freshservice.com\)](https://freshservice.com)

Clearly the non-recovery of debts has an adverse impact on school budgets. It is therefore in the interests of the school to assist LCC with debt recovery. Please see below the roles and responsibilities of LCC and the school in relation to debt management.

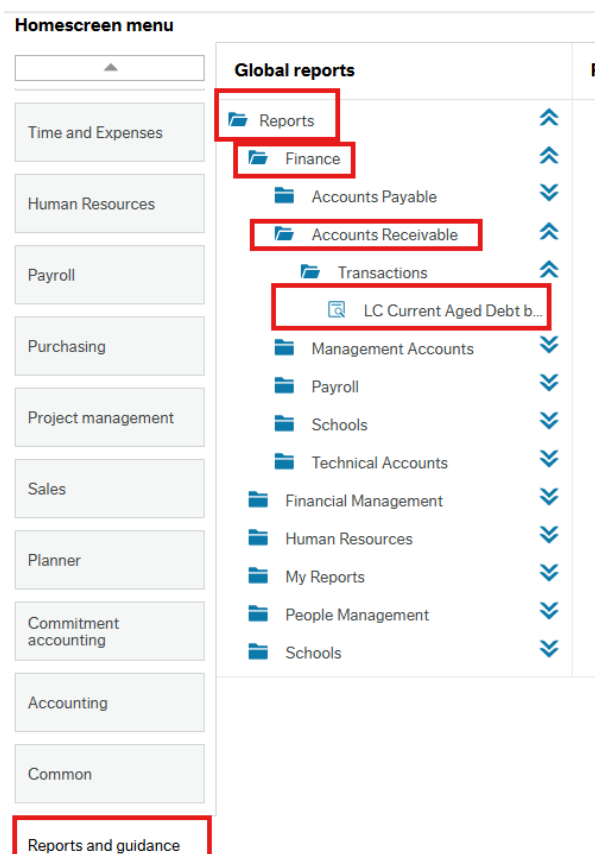
LCC's Credit Control team's responsibilities include:

- Ensuring income is allocated correctly against outstanding debts.
- Issuing reminders to debtors. Reminders are issued 14, 28 and 42 days from the date of invoice or resolution of a dispute.
- Agreeing repayment plans where appropriate, although Credit Control are only able to agree 3 months, any longer would need to be approved by the Headteacher. It is essential that repayment plans are realistic and proportionate.
- Take court action for debt recovery.

Headteacher /Bursar/Administrator's responsibilities include:

- Running an Aged Debt report and reviewing all outstanding debts at least once a month. This report provides aged debt information per customer. Please see information below on how to run this report:

In BW, navigate to Reports and Guidance > Reports > Finance > Accounts Receivable > LC Current Aged Debt by Group – Budget Holder



- In the next screen enter your school Cost Centre in the Cost Centre box, then select Search

LC Current Aged Debt by Group - Budget Holder

Your search produced no results.

Selection criteria

Results

#	Direction (T)	Cost Code (T)	Cost Code (T)	Customer group (T)	Customer ID	Customer ID (T)	InvoiceNo	Instate	Due date	Invoice Amount	Still to Pay	Test	CC	CC (T)	Current	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Memo ID	Budget Holder (T)
		S																					

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- If you have any outstanding debts, these will be shown in the report, with a balance at the bottom of the report. If there are no debts outstanding this will show a zero balance
- Ensuring that debts are issued in a timely period from when the goods or services were provided, that Purchase Orders are obtained, if appropriate, and that accurate and detailed information is provided on the sales invoice to prevent disputes occurring.
- Advising the Credit Control team if reminders are not required on a case by case basis, or where payment terms have been extended.
- Checking the latest position on debts that are overdue by responding to emails issued by the Credit Control team, especially when asked to agree, or not, to a particular course of action.
- Considering what further action can be taken to assist the Credit Control team with recovery. The team can be contacted via CreditControl@lincolnshire.gov.uk.

School Sundry Account Expenditure

School sundry accounts are only used by Special schools and Secondary schools. This is used to pay 16-19 Bursary payments.

- A record of all expenditure should be kept.
- A receipt should be provided for every transaction.
- School sundry accounts should not be used for payment of supplier invoices.
- School sundry accounts should not be used to pay employee expenses for example fares and parking charges.

Payroll Split Coding Journals

From the 2026/27 financial year onwards the R19012 payroll split-coding journal code is no longer available. When processing payroll split-coding journals, schools must use the relevant Basic Pay, Employer's National Insurance, and Employer's Pension account codes.

This change aligns BW coding with the SBS Financial Planner (MTFP), making reconciliation easier and more transparent.

Journal narratives must continue to include:

- Employee Res ID / Job Number
- Payroll period
- Percentage of costs reallocated
- From and to cost centre/department codes

Example: 123456 / 980761 – Period 3 – 45% from S12300 M002 to S123AA G013

As supporting evidence, schools must retain Payroll Cost Report extracts showing how calculations were derived. These should be held locally for audit purposes and must not be attached to the journal.

All payroll split-coding journals relating to the 2026/27 financial year onwards must be processed using the relevant Basic Pay, Employer's National Insurance, and Employer's Pension account codes rather than R19012.

Journalling A codes and R codes

When processing journals, it is important to use the correct account code type. Journals cannot be used to transfer transactions between A account codes and R account codes. Both sides of the journal must use the same account code type.

If a transaction has been posted to the wrong A account code, the correction must be made by journaling:

- From the incorrect A account code
- To the correct A account code

Both the debit and credit entries must use A account codes.

R account codes are typically used for recharges between schools and LCC departments, but they may also be used to correct transactions between R account codes. When processing a recharge or correcting an R code transaction, the journal must be posted:

- From the incorrect R account code
- To the correct R account code

Both the debit and credit entries must use R account codes.

School Fund

- It is important that the same high standards of financial control are applied to voluntary funds as are required over the public funds provided through the County Council. This guidance has been prepared to assist management in ensuring as far as possible that voluntary funds are established and operated in accordance with all relevant statutory requirements and the County Council's Financial Regulations and associated guidance.

A voluntary fund may be best described as “any funding which although not officially owned or finance by the County Council, is controlled or administered solely or in part, by an employee by reason of their employment by the Council or a School Governing Body”.

Private funds operate as separate entities from the school and are under the control of a third party, other than the headteacher, school staff or governing body, for the benefit of the school. There may be schools staff involvement, but in this capacity they are accountable as individuals to the third party rather than as employees. A Parent Teacher Association (PTA) is a good example of this type of fund.

When dealing with a voluntary fund, parents or other individuals and organisations are unlikely to draw a distinction between a voluntary fund and the official County Council account. Money is often collected by staff and correspondence may bear the establishment of the Council logo.

- All non-public funds are to be declared and audited annually in a manner acceptable to the Chief Finance Officer.
- The audited accounts must be presented to Governors and a signed audited statement sent to School Finance Team within 6 months of the end of school fund year.
- There is also a School Fund folder which contains the School Fund Template and School Fund User Notes. This can also be located in Perspective Lite:
LA Documents > Schools Finance Team > School Funds
- Funds cannot be transferred from Budget Share to School Fund.

- Income and expenditure relating to budget share must not go through school fund. If any income is paid into this fund relating to budget share expenditure it must be transferred to the budget share in a timely manner. Only voluntary funds should be deposited into the school fund account. Funds related to mandatory payments, such as wrap-around care, school trips, and uniform purchases, should be deposited into the budget share account, with corresponding invoices paid from there.
- Where schools use electronic 'faster payments' it is imperative that a 'two step' authorisation process be created forcing approval from two signatories.
- Where this is not possible risk is greatly increased leaving officers in a vulnerable position when administering the school fund accounts.
- The school fund audit should be charged to the school fund and not paid from budget share.
- Further information is available in Section J of the Finance Handbook which is available on Perspective Lite:
LA Documents > Schools Finance Team > Finance Handbook > Schools Finance Handbook (New)

Key Controls

- Up to date bank mandate.
- The school must ensure that there are at least three signatories on the account, with a mandate requiring two signatures for any transaction. This dual-signature requirement prevents any single individual from making unauthorized payments. Schools should ensure that ex-employees/governors are removed as authorised signatories immediately and arrange for appropriate replacements to ensure the school's ability to access funds as needed and to prevent the risk of fraud.
- Invoices or receipts for all payments – including when money has been given to staff as evidence of the payment.
- No signed blank cheques – cancelled cheques need to be attached to the cheque book as well as returned cheques.
- All income recorded and receipted to support the entries in the school fund.
- Regular bank reconciliation to ensure all funds are accounted for and to show that regular monitoring of the funds is being undertaken.
- Supervision – management oversight should be implemented.
- Keep funds separate to budget share – transfers can be made out of the school fund into budget share but no transfers are allowed from the budget share to the school fund.
- Annual audit by an independent person – can be a member of the Schools Finance Team as part of the SLA package bought into. If an independent person then they should have some finance knowledge.
- Independence precludes members of school staff or the Governing Body or spouses / partners acting as auditors.
- Needs to be reported to and signed off by the Governors.
- Annual statement needs to be sent to the LA – within 6 months of the end of the school fund audit year end (revised due to Covid 19 to 12 months from end of school fund year).

Audit Findings

The November 2025 Finance Bulletin included an informative article by Internal Audit relating to the significant risks associated with School Fund. This is reproduced below:

Management of school (voluntary) fund accounts continue to be a significant risk area in our recent audits, and some new risks are emerging.

Please see below key points for ensuring compliant practices:

Budget Share Funds: We are still identifying budget share funds being paid into the school fund account. Wrap-around care, uniform and school trip monies should be deposited into the budget share account, with corresponding invoices paid from there.

Voluntary Funds Only: Only voluntary funds should be deposited into the school fund account. These monies would relate to donations, fundraising events and grant funding.

Voluntary and private funds must not be used to support the financial position of any public money (e.g. budget share, government grants). Voluntary and private funds must not be transferred into budget share to support the financial position of the school.

Debit Cards: It is not permitted for debit cards to be held on any accounts. No one person should have the ability to make payments on **any** school accounts. Debit cards allow this to occur and therefore cannot be used. Any schools who have this facility on a bank account should destroy the cards and fully cancel them with the bank to avoid reissue.

Online Banking: If online banking has been provided as part of the account facilities, it must have a two-person authorisation facility on it. This relies upon one person adding a payment onto the online banking facility and a second person checking and releasing that payment. This provides the requirement of no one person having the ability to make payments on **any** school accounts.

Account Signatories: The school must ensure that there are at least three signatories on the account, with a mandate requiring two signatures for any transaction.

Purchasing Processes: Certain expenditures, such as resources, building maintenance, and staff expenses, should be processed through the finance system to ensure accurate financial reporting and benchmarking. Payments for these items from the school fund account can lead to inaccurate budget management and insufficient oversight by the Headteacher and Governors.

Income and Expenditure Alignment: Income related to invoices paid from the budget share must also be deposited into the budget share account. Staff expenses should not be paid from the school fund but through payroll claims. The school fund should not be used as petty cash.

Adequate Oversight: The school fund account requires the same level of oversight as the budget share account. This oversight should be continuous throughout the year, not just at the end of the accounting period when the declaration is completed by the Headteacher, Auditor, and Chair

of Governors. Oversight should include the review of receipting, reconciliation and banking records.

Transparency and Accountability: It is essential to identify the origin and destination of funds held within the school fund account. Funds collected for specific purposes, such as fundraising for a project, must be used accordingly to avoid allegations of financial misappropriation, which could damage the school's reputation and future fundraising efforts.

Annual Audit Requirements: The school fund account must be audited annually in accordance with the guidelines mentioned above and the guidance notes in Perspective Lite shared with your chosen auditor. Once audited and approved by the governing body, the annual declaration must be submitted to Schools Finance within six months of the end of the accounting period. Please ensure that the governing body meeting minutes document the presentation of the audited school fund account, along with the closing balance for the accounting period.

Sickness Absence Insurance Scheme

- The scheme provides cover for absence due to sickness, suspension, jury service, maternity, paternity, adoption leave compassionate leave and acting Headteacher's allowance.
- Two different schemes. Standard and Restricted. The standard scheme will provide full cover until employee's pay reduces to half pay, reimbursements then reduce by half. The restricted scheme reimbursements ceasing once an employee's pay is reduced to half pay.
- Different excess levels available 3,5,10 and 20 days.
- Different employee group can have different levels of cover. Standard or restricted along with different excess levels.
- Applications to join the scheme should be submitted by the published deadline day.
- Each school will be sent a blank template which will be used for the financial year to process claims.
- Included in the Sickness Absence Insurance Template is the application to join the scheme (Tab Labelled Application) 1st tab.
- Instructions on how to complete the application are included on the tab.
- The template is used for submitting ALL claim forms relating to your school for the financial year.
- Each required field should be completed.
- Claims feed into the summary tab which shows the status of each claim.
- Medical evidence must accompany the claim.
- The template should be submitted by the 7th calendar day of the following month.
- Self-certification is permitted for the first week/5 working days.
- Schools Finance Team (SFT) are to be informed of the baby's date of birth as soon as maternity leave commenced
- Template must be sent to SFT on a monthly basis
- SFT to be informed the date the employee returns to work, via the template

- SFT to be informed when the employee has completed three months employment following their return to work, via the template
- Only send the template to SFT once a month. Templates should be sent to School_Sickness_Ins@lincolnshire.gov.uk
- These are returned at the end of the month ready for schools to complete for the following month.
- If reviewed and sent back on the 10th of the month and the school send back on the 15th, we would not look at this until the following month.
- When it is returned it is essential the school check the status of the claim. If an error has been identified corrective action is required.

Full details of the scheme can be found on Perspective Lite in:

Schools Finance Team > Budget Setting > 2026-27 > Sickness Insurance Scheme Schools.

Training Courses

A number of finance training courses are available to schools as listed below and the content covered in each course. Details of courses available including dates and booking arrangements will be communicated to schools through the monthly finance bulletin and additional ad hoc communications.

- Policies
 - Scheme for Financing Schools
 - Finance Policy
 - Monitoring and Intervention Framework
 - Managing Change Policy
 - Loan Scheme for Schools
 - Schools Reorganisation Policy
- Budget Share Funding
 - National Funding Formula
 - Schools Block
 - High Needs Block
 - Special Schools
 - Early Years Block
 - In Year Adjustments
- Grant Funding
 - Pupil Premium
 - Universal Infant Free School Meals
 - PE & Sport funding
 - 16 – 19 Bursary
 - Holiday Activity and Food Programme
 - Backfill Payments for Time Off Timetable for Early Career Framework (ECF) Mentor Training

- Any additional new grants
- New Administration
 - Business World navigation
 - Purchasing options
 - Goods receipting
 - Business World task completion
 - Creating / Amending a supplier
 - Checking supplier details
 - Income
 - Customers
 - Sales orders
 - School Fund
 - Sickness Absence Insurance Scheme
 - Jargon
 - Key dates
 - Further support for schools
- Financial Planning / MTFP
 - Financial planning
 - Budget preparation
 - Financial timetable
 - SBS Financial Planner Tool
- Budget Management & Monitoring
 - Finance Handbook
 - Basic concepts
 - Roles & Responsibilities
 - Overspends
 - Early Years Funding reconciliation
 - High Needs reconciliation
 - Understanding Budget monitoring
 - Lack of budget monitoring
 - Business World reports
 - Debtors
 - Forecasting
 - Coding structure
- CFR & Benchmarking
 - Consistent Financial Reporting (CFR)
 - Schools Financial Benchmarking
 - DfE Financial Benchmarking and Insights Tool (FBIT)
 - Demonstration
 - Using the FBIT Results
- Schools Financial Value Standard
 - Understanding the Schools Financial Value Standard (SFVS)

- SFVS return
- New Headteachers
 - Business World navigation
 - Business World reports
 - Business World task management
 - Authorisation
 - Sickness Absence Insurance Scheme
 - School Fund
 - Jargon
 - Key dates
 - Further support for schools

All training is delivered over MS Teams

Further Support for Schools

- Lincolnshire County Council Website ([LCC](#))
- Perspective Lite
- Schools Finance Team – schools_finance@lincolnshire.gov.uk
- Gov.uk Website - <https://www.gov.uk/> to access a range of key information such as funding, Schools Financial Value Standards (SFVS), Benchmarking
- Schools Monthly Bulletin – Published on Perspective Lite
- BW Guidance documents - [12\) Schools : . \(freshservice.com\)](#)
- Policies and Guidance – Perspective Lite and LCC Website
- Schools Finance Handbook – Perspective Lite
- Business World Access - [Solutions : Service Desk](#)
- Sickness Insurance Scheme – Perspective Lite
- Schools Training – Schools_Fin_Training@lincolnshire.gov.uk
- HR/Payroll - SchoolsTeam@lincolnshire.gov.uk
- High Needs - SENFinanceProject@lincolnshire.gov.uk
- Income Queries - Income@lincolnshire.gov.uk
- Procurement Card - ProcurementCard@lincolnshire.gov.uk
- VAT Team - VAT@lincolnshire.gov.uk
- Schools Business Support Service (SBSS) – Bronze/Silver/Gold Buyback – sbss@lincolnshire.gov.uk

Preparing for SBSS Finance Support Meetings

- Come prepared with a detailed financial plan
- SBS Financial Planner (SBS) is a planning tool – Keep it updated
- Update Income from Estimates to Actuals
- Review and Update A49105 where grants are overspent

Key Dates

Monthly

- Sickness Absence Insurance template to be submitted by the 7th of the month
- Forecasts to be submitted up to the 4th working day before the end of the month and can be submitted once per month from September to February
- Funding allocations to Budget / Grants completed after 18th of the month, which is undertaken by the LA, schools should then review those allocations
- Run budget monitoring reports and review in detail to ensure accuracy
- Run Schools Employee cost report after 23rd of the month to check accuracy and carry out a reconciliation within the SBS Financial Planner tool.
- Take corrective action relating to miscoding
- Update Medium Term Finance Plan

Annually

- Medium Term Finance Plan to be approved by Governors and submitted by the 31st May
- Sickness Insurance Scheme Application to be submitted by the 31st May
- SFVS – Schools need to complete return by the date specified by Schools Finance Team
- Notification of School Fund Audit to be submitted to the Schools Finance Team 6 months after school fund year end

This is not an exhaustive list – A Key dates document can be found on Perspective Lite

- Further information is available in Section A of the Finance Handbook which is available on Perspective Lite:

LA Documents > Schools Finance Team > Finance Handbook