

# Children's Centres Financial Procedures Manual

January 2018

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## 1. Introduction

- 1.1. This manual applies to children's centres which are managed directly by Hackney Learning Trust (HLT) and where the finances are managed through the Council's finance system and the Council's bank account.
- 1.2. This manual will replace any previous financial procedures manual.
- 1.3. This manual provides guidance for children's centres and sets out the policy and procedures for HLT's six maintained children's centres in relation to financial management & control, including the collection & banking of income.
- 1.4. Although these financial procedures govern the financial management arrangements at the six HLT directly managed children's centres, the schools based children's centres can refer to this manual for guidance in the management of their finances as a supplement to the schools financial procedures manual. The school's own manual is the primary financial governance document that schools are required to follow in managing their finances.
- 1.5. Compliance with the London Borough of Hackney (LBH) Financial Regulations is compulsory for all staff employed by Hackney Learning Trust. HLT children centre staff are encouraged, for greater detail, to refer to the LBH financial procedures that can be found on the HLT and LBH intranet pages.
- 1.6. This manual has been produced to support Children's Centres to meet the requirements of the accounts and audit regulations in the delivery its services. This manual will be periodically updated with any corporate changes or as a result of audit recommendations or other developments.
- 1.7. Any references to 'parent' in this manual refers to a person responsible for paying the fees of a child in receipt of childcare. 'Parent' could also mean 'guardian' or 'carer'.

## 2. Budgets & Budget Monitoring

- 2.1. Each Head of Centre is the default budget holder for children's centre budgets. There are some examples where there are multiple budgets/cost centres for a single children's centre and where the budget management of some of those are delegated to other staff. All budget holders should be familiar with the HLT budget holder roles & responsibilities document which can be found on the intranet - <https://aspire.learningtrust.co.uk/content/budget-holders>

### **Budget setting**

- 2.2. Every autumn work begins on planning the following financial year's budget. In a series of budget planning meetings HLT's senior leadership team (SLT) discuss income forecasts and priorities for the next budget.
- 2.3. Children's centres must maintain up to date staffing establishment lists and log any intelligence on non-staffing costs and future income generation.
- 2.4. Once SLT decide on the budget setting strategy, the relevant HLT accountant assigned to provide children's centres with support will communicate this to the budget holders/heads of centre who can start working with the accountant to design the following year's budget.

### **Budget monitoring**

- 2.5. Budget holders have budget monitoring & forecasting responsibilities as per the roles & responsibilities document referenced in 2.1.
- 2.6. Forecasts & commentary is entered into the Council's budget monitoring software module – MyBudget. For instructions on how to use MyBudget please see appendix A.

## 3. Value for Money & Procurement

- 3.1. Value for money (VFM) is about spending financial resources on the right goods & services. Budget holders are expected to spend sufficient time planning the optimum mix of staff, goods & services which they can procure within resources available which will best achieve their aims & objectives.

- 3.2. Budget holders are expected to question the need of goods and services procured and not automatically repeat purchases just because that expenditure was incurred in the past.
- 3.3. Budget holders are expected to benchmark and have market intelligence to know how comparable organisations are delivering services in order to be able to compare, learn and improve the design of services.
- 3.4. Procurement is about the rules associated with selecting the right suppliers to provide HLT with goods & services. Procurement happens after the budget holder decides what needs to be purchased and governs how the budget holders decides who to buy it from. Budget holders can refer to the procurement pages on the intranet which will provide information on the regulations regarding supplier selection. These can be found here: <https://aspire.learningtrust.co.uk/content/procurement-process-under-25k>
- 3.5. Once a supplier is selected, a purchase order must be created before a formal commitment is made with the supplier. All centre managers should be aware of the purchase order system and how to request & approve a purchase order. If there are any queries the centre manager should contact the HLT finance team.

#### **4. Income & Income Management**

- 4.1. Children's centres are provided with a net budget (see section 2). This budget is supplemented by additional income generated by children's centre. Children's centre income is generated mainly from two sources: (1) childcare fees paid by parents and voucher companies; and (2) childcare fees pay by the government for free childcare entitlement of two, three and four year olds.
- 4.2. Heads of centre/budget holders are responsible for ensuring good controls are in place to have a good command of all income due to the children's centres. Advice can be sought from the HLT finance team.

##### **Parental fee income introduction**

- 4.3. Children's centres use the First Steps software to record details of the children accessing childcare. All centres are aware of what their capacity is for the different age groups of children. Children's centres are also aware of the fee banding and will know for each child how to calculate appropriate fees to charge and what evidence of income is required from parents.
- 4.4. For a child to be registered for childcare their details must be entered onto the First Steps software. See appendix B for instructions on how to do this.
- 4.5. HLT policy is that fees must be paid in advance of the childcare being provided. Children's centres must communicate this to parents/guardians at the point of registration. This is also made clear in the signed contract between the parent and the children's centre/LBH.
- 4.6. Parents/guardians should be encouraged to make card payments as the most secure & efficient payment method for both HLT and the parent/guardian.

##### **Parental fee income – payments received in cash**

- 4.7. Parents should only be allowed to make payments to authorised officers nominated by the head of centre. Where payments are made by cash, the cash should be counted in front of the parent. Without delay the payment should be correctly entered into First Steps (see user guide in appendix), a receipt should be issued, and the cash should be securely stored in the safe.

##### **Parental fee income – payments received via cheques**

- 4.8. Where payments are made via cheque, the cheque should be checked by the relevant children's centre representative to ensure it has been correctly completed. Without delay the payment should be correctly entered into First Steps (see user guide in appendix), a receipt should be issued, the child's name and children's centre should be written on the back of the cheque and the cheque should be securely stored in the safe.
- 4.9. The cheque should be stamped on the reverse with the centre reference code.

- 4.10. Where cheques are returned unpaid, the bursar should, without delay, enter this on First Steps as arrears and the parent should be asked to re-pay the amount immediately. If two cheques are returned without good reason the parent will be expected to make future payments in cash or by a payment card.
- 4.11. HLT policy is to not accept post-dated cheques.

**Parental fee income – payments received via bank transfer**

- 4.12. Parents can set up a standing order. Children's centre representatives can provide the relevant LBH bank account details to the parents. These details must not be handwritten and must be provided on official HLT/LBH stationery which has been provided by the HLT finance team.
- 4.13. Parents must be instructed to correctly reference their payment. The reference should indicate the child's name and also include the children's centres initials. For example, if child John Smith was receiving childcare from Clapton Park Children's Centre and the parent wanted to pay via standing order – the reference should be 'JohnSmithCPCC'.
- 4.14. At the end of each week, the bursar should download a transaction listing (see appendix C for guidance) from CedAr showing all of the standing orders received and assigned to the children's centre cost centre. The transaction listing should include all of the references which the parent should have included in their payment.
- 4.15. The bursar should without delay correctly enter the monies received into First Steps (see user guide in appendix).

**Banking of cash and cheques**

- 4.16. All bursars and heads of centres should be aware of the particular days when they should expect a visit from the Council's security cash collection provider.
- 4.17. Prior to the collection visit bursars, or another authorised officer, should complete a paying-in slip and list cheques individually on the reverse of the paying-in slip.
- 4.18. All children's centres should have a stock of bags provided by the security company which the security company expect customers to use for all collections. The top copy of the paying-in slip, together with the cash and cheques should be put into a bag and should be stored in the safe until the security company arrive to collect.
- 4.19. The security company will provide the children's centre with a receipt and the children's centre should keep a record of which receipts are associated with which paying-in slips.

**Parental fee income – payments received via chip and pin**

4.20. See section 6 below on the chip and pin machine.

**Fee income paid by voucher companies**

- 4.21. Where parents confirm that payment will be made to HLT via a voucher company, the children's centre representative must ensure that instructions on official stationery are provided to the parent and/or voucher company. The instructions will include HLT's nominated bank account details as well as the reference instructions identical to the ones provided to parents for standing orders. Sometimes this information needs to be entered online through the voucher company website.
- 4.22. All payments made via voucher companies will come through to a suspense account monitored weekly by a nominated accountant in the HLT finance team. This person will, on a weekly basis, assign the income received to the relevant cost codes.
- 4.23. This person will also send a weekly report to all the bursars of all the children's centres providing a breakdown of all income received & assigned and also any income received where there is insufficient information to allocate.
- 4.24. Bursars must, without delay, review this report and respond to confirm which of the unallocated items belong to which children's centre. In these instances bursars must also

contact the voucher companies to remind them of the referencing instructions in an attempt to correct future payments.

- 4.25. Payments received via the voucher method will still appear in the transaction listings and bursars should follow the same instructions as per income received via parent's standing orders (see 4.1.4 and 4.1.5).

#### **Monies received for free entitlement childcare**

- 4.26. All children's centres must have a good understanding of how many childcare places they will offer for families eligible for free childcare. Children's centres must also have a good understanding of how to check and confirm eligibility. For further information, children's centres should contact the HLT Early Years team.
- 4.27. Children's centres should have a good understanding of the data submission requirements where they confirm data on children receiving free childcare to HLT's Management Information and Statistical Analysis (MISA) team. For further information, children's centres should contact the HLT Early Years team.
- 4.28. Once children's centres submit the data to HLT, the MISA Team provide the relevant Early Years representative with the necessary reports. This person calculates the amount of money due to the children's centres and processes an internal transfer which credits the children's centres cost centres. The transfers are processed termly in errors. Children's centres should use the transaction listings mentioned in the section - *parental fee income: payments received via bank transfer* – to reconcile income related to children receiving free childcare.
- 4.29. Children's centres should have a good understanding of how children in receipt of free childcare should be recorded in First Steps.

#### **Other income**

- 4.30. Where children's centres believe there is a trading opportunity which they wish to exploit the head of centre should consult with the Business Operations team at HLT. The Business Operations team can provide support around produce design, marketing, pricing and the sales order process. For further information they can email [s4s@learningtrust.co.uk](mailto:s4s@learningtrust.co.uk).
- 4.31. Where there is activity that is likely to result in other income being generated, the head of centre should, before engaging the project/activity, consult with the relevant HLT accountant to ensure the right steps are followed according to HLT's policies.
- 4.32. If for any reason the centre keeps receipt books, these should be kept secure at all times.

#### **Debt management**

- 4.33. HLT's finance team are responsible for debt management associated with traded income and income which is processed via the HLT Accounts Receivable function. All other debt – mainly debt associated with childcare fees - is the responsibility of the head of centre.
- 4.34. HLT has a policy of childcare fees needing to be paid in advance. In the event of any debtors – for example if due to the time delay of the children's centre receiving information on standing orders – the children's centre should ensure this does not exceed the value of two weeks' childcare fees.
- 4.35. As soon as the bursar realises there is an outstanding debt, without delay they will prepare a letter in accordance to template 1 in appendix D. They meet the parent that day, explain there is an outstanding debt on their account, and give the parent the opportunity to make payment right away via cash or payment card.
- 4.36. Should the parent not be in a position to make payment there and then, the bursar will pass to them by-hand the letter they had prepared earlier. A copy of the letter should then be uploaded onto First Steps with a note saying it was passed by hand. The letter will say that the child's place will be withdrawn in one week's time should the parent fail to make payment. This should also be explained to the parent in person.

- 4.37. If the parent fails to make payment the child's place is withdrawn and the children's centre shall not allow that child to continue attending childcare provision. Note that the head of centre does not have discretion to not apply this policy. If they think there might be a case to allow the child to continue attending the centre, they must get consent from Head of Early Years at HLT.
- 4.38. If the debt is still outstanding when the child's place has been withdrawn – the children's centre will send a 'serious' letter in accordance with template 2 in appendix D. The children's centre will upload the letter onto the child's account in First Steps.
- 4.39. If after two weeks there is either no response or there is no apparent & acceptable effort to settle the debt the children's centre should refer the matter to the LBH Legal Team to pursue. See Appendix E for protocols around instructing the Legal team and their service standards.
- 4.40. If the child has left before the debt has been identified then the children's centre will send a letter to the home address in accordance with template 3 in appendix D before following instructions in 4.38 above.
- 4.41. At the end of each period bursars will download a debtors report from First Steps and send to the relevant HLT accountant. The report should be accompanied with comments on what contact has been made regarding chasing the outstanding debt.

### **Debt write-off**

- 4.42. The policy of payment of fees in advance should mean that debt is always at low levels and debt write-off is extremely rare.
- 4.43. Before deciding on writing-off any debt there would have been numerous attempts to make contact with parents. All available means should be exhausted to avoid debt write-off.
- 4.44. The steps taken to write-off debt are as follows:
- I. The bursar identifies the amount to be written off and documents a breakdown of this including: child; period the debt relates to; amount; centre; steps taken to recover; and reason for write-off request;
  - II. This document needs to be authorised by Head of HLT Finance and Head of Early Years;
  - III. Once authorised the bursar can take the necessary steps in First Steps to write-off the debt;
- 4.45. At the end of each financial year the bursar must send a First Steps report detailing all write-offs for that year with confirmation that authorisation was received for each write-off item.

## **5. Refunds**

- 5.1. All refunds need approval from Head of HLT Finance.
- 5.2. If a parent requests a refund (mainly due to overpayment), and the head of centre agrees that a refund is due, the bursar must download a status of the account from First Steps and attach a reconciliation that shows that the receipts recorded in First Steps have actually been received in the transaction listings. The head of centre must sign this document highlighting how much is requested to be refunded.
- 5.3. Once approval has been granted the bursar can refer to the Council's central payments team for instructions on how to process the payment.
- 5.4. If a child is still attending the centre the preferred and more practical solution is to use overpayments on future childcare.
- 5.5. Where overpayment has been in the form of childcare vouchers, normal practice is to return the amount overpaid to the voucher company. For some voucher companies this is not possible and they do not accept returned payments. In these instances there are two options available to the parent:
- I. The overpayment value can be used as a credit towards future childcare with a HLT Children's Centre; and/or

- II. It can be forwarded to another registered childcare provider – providing the provider formally write to the Children's Centre confirming: (1) that the child is registered there for childcare; (2) confirms the fees; (3) confirms the expected duration of the childcare; and (4) confirms their bank details. This should be on official stationery with authorised signatory.

## 6. Chip & Pin Machines

- 6.1. Each children's centre has been issued with a card payment machine. If a centre has not received a machine or are having technical issues with the machine they can contact the supplier.
- 6.2. See appendix F for the supplier's user guide of the card payment machine.
- 6.3. The device must be locked away securely when not in use. The device must never be left unattended. Only authorised personnel – nominated by the head of centre who have been adequately trained – are permitted to use the device.
- 6.4. When a parent pays by card (in person or over the phone), the children's centre authorised person must, without delay, correctly enter the payment in First Steps. The parent is provided with a both a card receipt and a First Steps payment receipt. HLT's copy of the card receipt is attached to a print-out of the First Steps payment record and stored in a secure and organised way to enable reconciliation with the account.
- 6.5. The income received via the machines is deposited daily to the HLT bank account but not as itemised transactions. The income is then posted via the Council's Paris income system to the CedAr finance system and reported in the children's centre account.
- 6.6. On a daily basis a reconciliation report should be printed from the device. On a weekly basis children's centre bursars shall reconcile: (1) a general ledger transaction listing; (2) with the reconciliation print-out from the device; (3) with a download from First Steps; (4) with the card receipts that they have retained. The bursar should consult with the HLT accountant if they are unsure how to do this.
- 6.7. The payment machines are subject to the same requirements as any other assets managed by children's centre.

## 7. Asset Register

- 7.1. The Centre must maintain an up to date Asset Register of items held that are deemed valuable and/or subject to an insurance claim. Moveable assets valued at £1,000 or more must be recorded. Normally, the bursar is expected to own the asset register.
- 7.2. The asset register should include the following information:
  - Date of acquisition of asset;
  - Description of asset, including colour, a unique identification mark such as a serial number and security marking, where appropriate;
  - For ICT/electrical equipment, a record of the model or other unique reference/security number;
  - Cost of the asset purchased;
  - Location of the asset;
  - Details of the disposal of any assets, whether scrapped, sold or donated;
  - Details of the revaluation of an asset;
  - Items used by the Centre but owned by others (e.g. leased items) supported by a note of ownership;
  - Where possible, the asset register should be held within the centre's financial system, rather than as a hardcopy document;
  - An Inventory List should be maintained, for minor items worth less than £1,000;

- Acquisitions and disposals should be recorded on the register at the time of acquisition or disposal;
- 7.3. Children's centres must seek authorisation from the Head of HLT Finance before disposing of any assets.
- 7.4. The Centre Manager must ensure that the asset register is kept up-to-date and is reviewed at least once a year. The review must include the physical check of the assets and must be performed by someone other than the person maintaining the register. The asset register should be certified and dated on completion of the review.

## 8. Petty Cash

- 8.1. The purpose of petty cash is to enable members of staff to pay cash for minor expenditure relating to curriculum purchases, travel and other ad-hoc payments relating to classroom/school expenditure.
- 8.2. It is designed for small, urgent incidental expenses where it is unfeasible or impractical to use normal purchasing means. It is not meant to be used as a way of bypassing the preferred purchasing systems. Centres should keep petty cash use to an absolute minimum.
- 8.3. Hackney Learning Trust has agreed an appropriate level of cash to be held on a Centre's premises in conjunction with the Head of Centre. The level should be based on the amount likely to be required in a set period and give consideration to the administration of replenishing the float.
- 8.4. The Head of Centre Manager is responsible for nominating a float-holder and deputising officer for managing petty cash and also responsible for informing LBH finance cash office any changes to the float-holders. The deputising officer will cover the duties of the float-holder during holidays or sickness etc. and can also present or collect the float reimbursement at any time.
- 8.5. A petty cash float is advanced to a nominated float-holder, who is responsible for ensuring that these procedures are followed:
- The petty cash float must be kept in a secure location where the room can be locked. The float should be kept in a safe or a lockable cupboard;
  - Petty cash is to be used only for reimbursing small amounts of necessary business expenditure, up to £25;
  - All payments from petty cash must be supported by invoices or receipts. If VAT is being paid, the vouchers must meet the VAT requirements. If they do not, the VAT cannot be reclaimed, so the whole amount will be charged to the Centre;
  - The float holder must ensure that records are kept to show the nature and value of the expenditure;
  - The total of cash remaining (plus receipts and/or vouchers for reimbursements) must be equal to the total float at all times. Any discrepancies should be investigated and corrected. If this is not possible, the Head of Centre Manager needs to be informed in writing and HLT Finance. The Head of Centre Manager is responsible for ensuring that the float is checked regularly and that such checks are documented;
  - When replenishing the float, the amount requested must equal the total of the receipts and should bring the float back to its full total. All petty cash float reimbursements must be reconciled before the float can be replenished. Supporting documents, with claim forms and receipts, must be attached to the control sheet and filed;
  - It is the duty of the float-holder or deputising officer at the Children's Centre to present and collect the reimbursement. The float reimbursement will be issued only to one of the named individuals. A letter of authorisation should be given to the member of staff presenting the reimbursement cheque at the bank which should be signed by an authorised signatory, as per the Centre's bank mandate;

- The Bursar should complete the Year-End Petty Cash certificate provide by HLT Finance Team and submit to them as part of the closure of accounts timetable;

## 9. Purchase Cards

- 9.1. The P-card is to be used for small business purpose only – and where the normal purchase order/accounts payable route would be less efficient. The P-card holder is accountable for all transactions on the p-card. The maximum purchase per transaction is £500.00 and card limit per calendar month is £1,500.
- 9.2. The P-Card holder must keep the card secure at all times.
- 9.3. The P-Card holder must get authority, and be able to evidence this authority, before making a p-card purchase. This authority must clearly state the supplier, amount and item.
- 9.4. The P-Card holder must, at least on a monthly basis, log on to their online card account and describe, code and upload receipts for their transactions.
- 9.5. On a monthly basis, the HLT finance team will circulate to line managers of p-card holders a statement of spend. The line manager is expected to confirm that expenditure has been incurred on appropriate business items and authority had been properly sought.

## 10. Capital Expenditure

- 10.1. Centre managers are not provided with a capital budget. Any capital expenditure will be managed through the Council's property team.
- 10.2. Small revenue items associated with general repairs and maintenance should be covered by the children's centre budget.

## 11. General: Audit & Other

- 11.1. Internal audit will periodically carry out an audit of various internal controls at a children's centre. The centre manager is responsible for the implementation of any recommendations as a result of the audit.
- 11.2. Under no circumstances should cash be taken home. All amounts of cash, however low in value, should be treated as important and the security of cash must always be taken seriously.
- 11.3. The head of centre must ensure that the Council's insurance team have a good understanding of Children's centre business and that the centre has adequate insurances in place. This includes insurance which covers keeping money on-site.
- 11.4. Various officers have access to confidential financial information. The head of centre is responsible for ensuring that these officers are aware that they have a duty to respect the confidentiality of information acquired as a result of undertaking their duties. They must keep this information secure and must not disclose any such information to non-authorised personnel and any third parties. Exceptions to this are where specific authority is given to disclose information or where there is a duty by law to disclose.

12. Appendices

12.1. A: MyBudget Instructions

# MyBudget User Guide – HLT Budget Holders

June 2017

This guide summaries the steps to enable you to perform your budget monitoring tasks using the mybudget system. Your designated finance contact is responsible for training you to help you to perform the year to date analysis and forecast tasks 2 and 3 below:

There are three sections to this guide:

1. Access mybudget and display a breakdown of your cost centre budget
2. Review a budget from April to the current month (year to date analysis)
3. Submitting a year-end budget forecast

Budget holders should continue to make reference to the HLT Budget Holder Roles & Responsibilities document which can be found on Aspire:

<https://aspire.learningtrust.co.uk/content/budget-holders>

The introduction of MyBudget does not mean a change to the established role of the HLT Budget Holder.

### **Access mybudget and display a breakdown of your cost centre budget**

Budget holders are able to access mybudget from working day two for a duration of five working days to analyse their budget and input their forecasts. Three steps are required to access mybudget:

1. Logon to VMware – double click the VMware icon on your HLT desktop, click Connect on the VMware window, and enter your password.
2. Logon to Single Sign On (SSO) - within LBH myoffice desktop (green desktop), click on start at the bottom left, and type “sso” in the search box, select “Cedar Single Sign On (SSO)” which should appear as a selection and logon entering your username and password.
3. mybudget – from the Applications menu towards the top of the screen click the mybudget icon.

#### Displaying a breakdown of your cost centre

The main mybudget Hackney Collaborative Planning screen should appear with the left part summarising cost centres you manage. Cost centres are 5 characters in length and all HLT cost centres begin with the letter “F”.

To view a breakdown of your budget cost centre in detail by expenditure type follow the steps below:

- I. Highlight a cost centre code by clicking on it, then right click and select Review. This will open another tab called “CP-DataEntry (REVBUDMON). Please note, initially allow a minute or longer for this to setup and load data.
- II. If prompted for Java update, click the third option “Later”.
- III. Click Run on the next prompt ‘allow Collaborative Planning to run’.
- IV. If prompted for the “Maintain Profiles” window, select form1 if it is not already highlighted, and click OK.
- V. A single line will appear for the cost centre. Expand this by clicking on the white box left of the cost centre code. This will display a single cost centre listed by subjective.
- VI. To view a different cost centre go back and select the first screen: Collaborative Planning tab (middle tab) select & right click review a different cost centre. This will update the CP-DataEntry (REVBUDMON) tab with new data.

### **Review your budget**

This part, which is the first main task to be performed each month, focuses on monitoring your budget from the beginning of the financial year (April) to the current reporting period, referred to as

year to date analysis. Within the cost centre breakdown screen in mybudget, year to date information is displayed in the first area, to the shaded darker blue column called "Total Spend to Date." This is a combination of financial transactions which have been processed as well as purchase orders marked as received (GRN'd).

Your year to date analysis is performed by checking that all expected transactions have been captured. For example staff paid via payroll/agency, invoices paid to suppliers for goods or services received, and trading income orders that you would have received will all, as the year progresses, appear here.

By performing this part, you will be in a better position to determine what activity is yet expected on your budget to arrive at a yearend forecast position.

Please check the following three areas:

I. Staffing costs

- Costs for permanent employees paid via payroll are recorded on the main staffing subjective codes: 100000 Basic pay; 100025 NI; & 100026 Pension. Check for missing staff, expected new starters, that leavers are no longer paid and for anything charged to your cost centre which should not be there.
- Note that mybudget has a salary calculator to help you analyse staff costs that have been charged to your budget year to date and make an automatic forecast to year end. To view the salary calculator click on the calculator symbol on the Basic Pay 100000 subjective.
- The first tab of the calculator shows staff charged to your cost centre with their grades, spinal points and FTE. Note this information is taken from information held on the payroll database (currently iTrent).
- Missing staff can be added by selecting a new line, entering their name, selecting their grade, spinal point and FTE.
- The second tab show a month by month actuals & forecast of these staff to year end. The default assumption being, that they will continue for all future months to the year end.
- Corrections to forecasts are made by entering adjustment amounts in white fields in the 'management adjustments' columns on the right.

II. Non staff costs

- These are subjectives beginning 1 to 6. Check that expenditure you have approved has been captured.
- Allow for most recent Grnd items made at the month end that will not be in the actuals but will appear in the accruals.
- You can view and email yourself a breakdown of the transactions making up the costs by right clicking over the subjective field and selecting "Finance Data." Click on the excel symbol to receive an email of the transactions.

III. Income

- These are subjectives beginning with 9. Traded income should appear on the 920600 subjective line. Non trading income should appear on other income subjectives beginning with 9.

By monitoring your budget monthly, the time taken to perform the year to date analysis can be reduced to only monitoring the most recent month.

## Submit a forecast

This is the second main task to be performed each month. The forecast on a budget cost centre is an estimation of the total amount of cost (or income) on each subjective that is expected by the financial year end. This is activity for the full year April to March. In mybudget, forecasts are entered in the yellow column called "Budget Holder Full Year Forecast."

To determine the full year amount on any subjective, you need to determine what further costs or income is expected to year-end (the following March) that will add to the amounts in the year to date analysis. This will also include what commitments have been raised using purchase orders to suppliers. For example if the year to date analysis on subjective 400000 within a cost centre is £50,000. And you expect further costs of £20,000 to year-end, the input forecast for the subjective will be £70,000.

It is recommended that a set of working paper spreadsheets and notes should be kept in those instances where necessary.

Similar to the year to date analysis, work through the following three areas:

### Staffing

- As mentioned in the year to date analysis earlier, salaries are automatically forecast in the salary calculator, viewed by clicking on the calculator symbol on the Basic Pay 100000 subjective.
- Amendments are only required if staff are omitted or costs are not present. Amendment can be made by adding a line for new staff (entering their name, grade, spine point and FTE) or making overriding entries in the white fields in the forecast tab.

### Non-staffing

- A single entry needs to be entered on subjectives that will be used to year end.

### Income

- A single entry needs to be entered on subjectives that will be used to year end.

**SAVE** your input forecast after you have worked through a cost centre. These forecasts will remain in mybudget when you next logon and will only change when you make a revision to them.

Performing the above will result in an overall under or overspend variance figure. A negative represent an under spend and positive, an over spend. This figure represents your forecast to budget.

The accuracy should be able to be improved as the year progresses as uncertainty reduces.

Overall material variances – if the top row is flagged as red in the 'variance flagged' column – will need a commentary regarding the reasons for the variance entered into the 'budget holder comments' column.

**12.2. B: FirstSteps User Guide**

*The user guide has been removed as there is a guide available online which is more relevant to the new cloud-based version of First Steps*

**12.3. C: CedAr Transaction Listing Download Instructions**

*Instructions to follow. To be provided by the HLT Finance team.*

**12.4. D: Debt Management Template Letters**

*Will be provided by the HLT Finance team in the updated manual*

**12.5. E: Instructing the LBH Legal Team and Service Standards**

*Will be provided by the HLT Finance team in the updated manual*

**12.6. F: Verifone Card Payment Machine User Guide**

