

**RM Finance  
and  
SIMS FMS6 Users**

**USER BULLETIN No. 235(RM)  
USER BULLETIN No. 193 (FMS)**

**February 2017**

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**Included in this Bulletin:**

- **Final Capital Return – due by 29<sup>th</sup> March 2017**
- **Capital Maintenance Grant**
- **Capital Shuffle**

**Financial Systems Helpline**

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**The Business of  
Running a School**



## Capital Return

The Capital Return is to be submitted twice yearly. The information contained in the bulletin will help schools to complete the second of the returns.

**The last date for submission of the interim return is;**

- **29<sup>th</sup> March 2017 for entries up to and including 31st March 2017.**

**Schools Year End Capital Return 2016/2017 - 1st April 2016 to 31st March 2017**  
**Please complete return and submit**

**For completion by ALL schools with the exception of VA schools**

**Instructions for completing this form:-**

- all three sections of this Return (including the Lease Information section) must be completed before this Return can be submitted
- enter the values without the £ sign, eg, 100.50;
- do not leave cells blank. Enter 0 where necessary to enable correct calculation of the automatic checks built in to the Return;
- as you complete each section, please click on the Save button: this should eliminate any system/timing out issues on the live system;
- a draft of the current page of the Return may be printed at any time by clicking the Print button on that page;
- after submission each of the pages of the Return must be printed and must be retained for 7 years (2016/2017 Financial Year plus 6 years)
- click the Submit button at the foot of the Return when all entries have been made & validated;
- ensure that figures reconcile correctly and that all required information has been provided;

**We do not expect there to be any overspend on capital !!!  
If more has been spent than received, money must be moved from  
revenue to capital to fund the 'overspend'.**

**If you have any queries regarding completion of this Return, please contact the Capital Finance Team, Matthew Best on 01992 555125, Suzanne Swain on 01992 555677, Shelley Gardiner on 01992 555950 or email [capital.finance@hertfordshire.gov.uk](mailto:capital.finance@hertfordshire.gov.uk)**

**Please note:**

- The capital return must be completed to inform Hertfordshire County Council of the Assets that the school controls.
- The capital return includes a section about leases. This section must be reviewed and completed
- Please provide details of new leases entered into during the period 1st April 2016 to 31st March 2017, unless already advised in the interim return to [financial.accounts@hertfordshire.gov.uk](mailto:financial.accounts@hertfordshire.gov.uk) (or hard copy to Financial Planning and Accounts, Herts Finance, County Hall Postal Point CHO 316).
- All assets are depreciated, but for LA Maintained schools this operation is completed centrally by Herts Finance.
- All assets depreciate over different lengths of time.
- A computer may only be useful for 3 years, furniture may last for 5 years, and buildings may have a much longer life.
- The capital team are assuming that the assets on the capital return have a life of 3 years.

- If your asset will be useful for longer than 3 years you should send an email to the address below with details of the asset and how long it will be useful to you.  
[capital.finance@hertfordshire.gov.uk](mailto:capital.finance@hertfordshire.gov.uk)

### Lease Information

The authority is required to report on any lease agreements that it holds, which includes those held directly by schools.

There can be confusion between agreements that are rentals and those that are leases. The key difference is that a lease is an agreement whereby the lessor conveys to the lessee (i.e. the school) in return for a payment(s) the right to use an asset for an agreed period of time. A lease would also include any hire purchase agreements. Generally speaking rentals are open ended and can be cancelled without penalty, other than a notice period, at any time.

## Capital - Checking the Brought Forward

### If using RM Finance:

To check the breakdown of Capital Balances brought forward  
**Reporting >> Custom >> Report Setup >> LMSFR4**

<b>LMSFR 4 Information</b>		<b>£</b>
(B01) Committed Revenue Balances	400.00	
(B02) Uncommitted Revenue Balances	28661.30	
(B03) Devolved Formula Capital Balance	3500.00	←
(B04) Other Standards Fund Capital Balances	0.00	
(B05) Other Capital Balances	0.00	
(B06) Extended School Balances	0.00	
Accrued Balance Brought Forward	157730.81	🔒

The capital may be split between BUS & BUS.

### If using FMS:

To check the breakdown of Capital Balances brought forward

**If the 2015 Financial Year has not been finalised**, change the financial year from 2016 to 2015.

Click on  to change the Financial Year. Highlight 2015 and select

Select Financial Year				
Year	State	Periods	Lowest Open	Archived
2016	Started	12	1	No
2015	Closed - Not Finalized	12	13	No

**Reports>CFR>CFR Reports>Preliminary>Tab 5 Balances**

CFR Report - Preliminary									
1: Income		2: Expenditure		3: Capital Income		4: Capital Expenditure		5: Balances	
Code	Heading	B/Fwd	Calculated	Apportioned	Actual	Status			
B01	Committed Revenue Balances	0.00	0.00	0.00	0.00	✓			
B02	Uncommitted Revenue Balances	175137.14	159226.13	159226.13	334363.27	✓			
B03	Devolved formula capital balance	0.00	0.00	7070.00	7070.00	✓			
B05	Other capital balances	0.00	7070.00	0.00	0.00	✓			
B06	Community Focused School Revenue Balances	0.00	0.00	0.00	0.00	✓			
	Validation for check 93				334363.27	✓			
	Validation for check 95				0.00	✓			
	Validation for check 97				7070.00	✓			
Totals		175137.14	166296.13	166296.13	341433.27				

Your balances may be in B03 and/or B05 in the Actual column.

**If the 2015 Financial Year has been finalised:**

**In the Financial Year of 2016**

**Reports>CFR>CFR Reports>Preliminary>Tab 5 Balances**

The balances should appear in the B/fwd Column

CFR Report - Preliminary									
1: Income		2: Expenditure		3: Capital Income		4: Capital Expenditure		5: Balances	
Code	Heading	B/Fwd	Calculated	Apportioned	Actual	Status			
B01	Committed Revenue Balances	0.00	0.00	0.00	0.00	✓			
B02	Uncommitted Revenue Balances	334363.27	-300740.10	-300740.10	33623.17	✓			
B03	Devolved formula capital balance	7070.00	0.00	0.00	7070.00	✓			
B05	Other capital balances	0.00	3375.00	3375.00	3375.00	✓			
B06	Community Focused School Revenue Balances	0.00	0.00	0.00	0.00	✓			
	Validation for check 93				33623.17	✓			
	Validation for check 95				0.00	✓			
	Validation for check 97				10445.00	✓			

## Log onto Solero

Please go to Hertfordshire Grid for Learning and click on the SOLERO link.

1. Select your school name from the drop down box.  
Enter your school number  
Enter your password
2. You will then see the main Systems Menu screen. Select the Capital Return link

[Capital Return](#) Please complete your final Capital Return 2016/17 by Wednesday 29th March 2016. Please ensure the 'Plant and Asset Disposal' Solero form is completed for all disposals in 2016/17.

All three parts are to be completed;

- Capital Financing
- Capital Expenditure
- Lease Information

3. Status of your school at the time of completing this return:

3a. Date converting to Academy (if applicable):

- Academy
- Community
- Free school
- Foundation
- Voluntary aided
- Voluntary controlled

Please select the type for your school.  
Community = Local Authority maintained

(If the school is or has turned into an Academy, please select Academy and enter the date of the conversion, at which time capital was resolved, and submit.)

Academy

N.B. Any change:

Record

Record

Mon	Tue	Wed	Thu	Fri	Sat	Sun
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Today is 5 October 2016

## Record Capital Expenditure

It may be beneficial to complete the Expenditure section before completing the Financing section. Click on

[Record Capital Expenditure](#)

The Expenditure section will populate part of the Financing section indicating where the income is to be allocated.

Click on the button to record a new project

Add a new project

### Add Capital Expenditure Project

PLEASE ENTER AS POSITIVE FIGURES ONLY - DO NOT INCLUDE REVENUE EXPENDITURE  
\* - means mandatory field

**PART 1 - CAPITAL EXPENDITURE DETAIL**

Project Name \*

Status as at 31st March 2017

HCC or Schools own project?

Landlord Consent Requested?

Capital Expenditure 2016/17 (to 31st March 2017) \*

Classification \*

Additional information - briefly describe items within classification \*

**PART 2 - CAPITAL EXPENDITURE FINANCING**

Devolved Formula Capital (DFC) allocation

Salix Loan Income direct from Salix (not HCC) received in 2016/2017

Private Capital Income

Revenue to Capital Transfers

Other Capital Income

The useful life of any Vehicle, Plant, Furniture & Equipment and Intangible Asset will be assumed to be 3 years. Schools should email [Capital.Finance@hertfordshire.gov.uk](mailto:Capital.Finance@hertfordshire.gov.uk), if the useful life of the asset is significantly different from 3 years.

### Enter the details of the project under Part 1

Project Name, Status etc.

Enter the amount of money spent so far, and select a classification.

Enter the detail of the items purchased.

### Enter how the capital expenditure was financed under Part 2

This could be Devolved Capital, Private Capital for example

Once the project line has been completed please click on Save

Add another line for the project or a new project as required

### Additional Information

Please break down the components of the project, if appropriate.

For example, if the project was for a Server including Wireless equipment, made up of different elements:

- The server should be one project component
- The wireless equipment should be another project component etc.

All the components for the project can be called the same Project Name, but the description should show the details for example:

- Server
- Wireless equipment

DO NOT INCLUDE EXPENDITURE ON ITEMS WHICH HAVE BEEN REIMBURSED BY HCC

CAPITAL EXPENDITURE DETAIL													
Project name (Select to Edit)	Status as at 31st March 2017	HCC or Schools own project?	Classification	Additional information	Landlord Consent Requested?	Capital Exp. 2016/17 (to 31st March 2017)	Devolved Formula Capital (DFC) allocation	Salix Loan Income	Private Capital Income	Revenue to Capital Transfers	Other Capital Income	Total to be financed (must equal nil)	Select to Delete
<a href="#">Server Project</a>	Complete	Schools Own	ICT Equipment	Server	No	4500	4500	0	0	0	0	0	<input type="checkbox"/>
<a href="#">Server Project</a>	Complete	Schools Own	ICT Equipment	Wireless Routers x 2	No	2500	0	0	0	2500	0	0	<input type="checkbox"/>
				<b>Capital Expenditure Totals</b>		7000	4500	0	0	2500	0		<input type="checkbox"/>

Please note:

Every item of a capital project that is individually worth more than £2000 will have a separate project component, for instance, if a new laptop is worth more than the £2000 de minimis level it should be noted separately.

If you have purchased 4 storage racks for a new classroom that collectively come to more than the £2000 de minimis, they can be noted together with a description of “Racks for New Classroom x 4”.

It is no longer sufficient to group everything together and call it “general equipment”.

## Capital Maintenance Grant

Where a school has been asked to make a capital contribution (following the changes to capital delegation), the charge will have come through on the Central Billing document.

This is a capital transaction on the part of the school and should be reported as capital on the capital return, it is effectively a jointly funded project with Hertfordshire County Council.

A new project line should be entered for the schools contribution. The code that should be used is 201300 in CE02 where it relates to buildings. Previously 200300 was used, which is incorrect and should not be set up. If there is insufficient funding in the capital balances, a capital shuffle will be required for the shortfall.

Please note:

- **Please ensure that Capital Maintenance Grant charges are entered on the capital return. The Capital Team will contact you should there be a Capital Maintenance Charge and where this has not been placed on the return.**
- Notes on capital on Page 2 of this bulletin.

## Capital Financing

Once all the expenditure has been entered

Click on

<< Capital Financing

This button takes you back to the initial screen, where the capital income is entered.

Enter your brought forward balances into the appropriate section.

### CAPITAL FINANCING

Capital balances b/f from 31st March 2016 must agree with the corresponding fields on the 2015/16 Financial Year End Returns, LMSFR4 & CFR

DO NOT INCLUDE REIMBURSEMENTS FROM HCC ON THE CAPITAL RETURN. WHERE THERE IS A PARTIAL REIMBURSEMENT, ONLY INCLUDE THE PART FUNDED BY THE SCHOOL. REIMBURSEMENTS SHOULD BE ENTERED ON THE SYSTEM AS EXPENDITURE CORRECTIONS.

Please note:

Where a capital project is paid for centrally by HCC, HCC will place the asset on the capital return held by the council centrally. In this case schools should treat the expenditure as revenue and HCC will issue a re-imbursment which should be coded to negate the revenue charges.

### B03 – Devolved Formula Capital

#### Devolved Formula Capital (B03):

	Balance Brought Forward 16/17 £	Total Income Due 16/17 £	Total Income available to Finance Capital 16/17 £	Total used to Finance Capital 16/17 £ (FROM CAP EXP)	Balance Carried Forward 16/17 £
4 Devolved Formula Capital :	3500	5500	9000	4500	4500

The brought forward balances will have already been entered into the Balance Brought Forward 16/17 column. The DFC income will have already been entered into the Total Income Received 16/17 column. The figures should be checked.

- The capital income may not be quite correct due to penny differences, you should amend if necessary.

Please refer to the actual amount of the income received. You will have received all final payment for Devolved Formula Capital on the January Biscuit report. The Capital income for the current year advised on the budget shares is rounded; the actual amount received may be a few pennies more or less.

You should adjust the capital income based on your actual receipts.

Adjust the Devolved Formula Capital capital income, if required.



## B05 – Other Capital Monies

Enter the Balance Brought Forward and **all** of the income that you are expecting to receive for the Financial Year.

**This will include balances of privately raised capital funds, balances of monies transferred from revenue to support capital.**

Note that the total expenditure, if any, will have already been populated against this section.

If a school has incurred Salix expenditure in capital, a capital shuffle must have been completed. The capital shuffle income should, in this instance, be shown against line 5, not 7.

All other capital shuffle income should be shown in line 7 as usual.

If you have received a donation that you wish to use towards a capital project this can be coded directly to Capital Income CI03 and shown on line 6.

Other Capital monies (B05):					
	Balance Brought Forward 16/17 £	Total Income Due 16/17 £	Total Income available to Finance Capital 16/17 £	Total used to Finance Capital 16/17 £ (FROM CAP EXP)	Balance Carried Forward 16/17 £
5 Salix Loan Income direct from Salix (not HCC) received in 2016/2017	0	0	0	0	0
6 Private Capital Income :	0	0	0	0	0
7 Revenue to Capital Transfers :	0	2500	2500	2500	0

## 8 – Other Capital Income

The detail of **other** capital income, not included above, should be entered in box 8a along with the carry forward and income for the whole year in the appropriate box.

8 Other Capital Income as specified below :					
Enter description and breakdown of Other Capital Income					
	Balance Brought Forward 16/17 £	Total Income Due 16/17 £	Total Income available to Finance Capital 16/17 £	Total used to Finance Capital 16/17 £ (FROM CAP EXP)	Balance Carried Forward 16/17 £
8a Grant from Sports England	0	0	0	0	0

Note that any expenditure will have already been populated against this section if appropriate.

## Calculate the Total Capital Income

To update the figures click on

Calculate Capital Income Totals

	Total Income available to Finance Capital 16/17 £	Total used to Finance Capital 16/17 £ (FROM CAP EXP)	Balance Carried Forward 16/17 £
9 Capital Funding Balance at 30 September 2016	11500	7000	4500

Please remember that any changes to the Return have NOT yet been saved

N.B. This does not save

Calculate Capital Income Totals

The calculation shows;

- The total capital income that was available to spend for the current year.
- The capital income spent.
- The current balance that is available to carry forward to next financial year.

It is not possible to overspend on Capital. Should the Balance Carried Forward show a negative figure a Capital Shuffle (page 13) would need to be completed or errors corrected.

### Check the Projected Capital Balance to carry forward at 31<sup>st</sup> March 2017

This should be the B/F total **plus** Income for the Year **less** Expenditure including accruals if appropriate and should agree with your accounting system.

**The Capital Balance to Carry Forward at 31<sup>st</sup> March 2017 should be the same across all the year end finance returns.**

**If, for instance, you were carrying forward £5000 in B03 on the Capital Return at the year end; the same figure should be reflected in the Finance and the CFR software at year end box B03.**

## Leases

**The Capital return cannot be submitted without completing the lease section.**

### Lease Information

The authority is required to report on any lease agreements that it has, which includes those held directly by schools.

There can be confusion between agreements that are rentals and those that are leases. The key difference is that a lease is an agreement whereby the lessor conveys to the lessee (i.e. the school) in return for a payment(s) the right to use an asset for an agreed period of time. A lease would also include any hire purchase agreements. Generally speaking rentals are open ended and can be cancelled without penalty, other than a notice period, at any time.

**Please provide details of new leases entered into during the period 1st April 2016 to 31st March 2017 in the table below; and send a copy of the lease to [financial.accounts@hertfordshire.gov.uk](mailto:financial.accounts@hertfordshire.gov.uk) (or hard copy to Andrew Major, Financial Planning and Accounts, Herts Finance, County Hall Post Point CHO 316).**

<< Capital Financing

Print Lease Information

The authority is required to report on any lease agreements that it has, which includes those held directly by schools.

**Please provide details of new leases entered into during**

the period 1st April 2016 to 31st March 2017 in the table below; and send a copy of the lease to [financial.accounts@hertfordshire.gov.uk](mailto:financial.accounts@hertfordshire.gov.uk) (or hard copy to Andrew Major, Financial Planning and Accounts, Herts Finance, County Hall Post Point CHO 316).

To add a new lease

Add a new lease

**Add Lease Information**

\* - means mandatory field

Lessor (payments made to) \*

Asset(s) being leased (type, make, model) \*

Length of lease (e.g. 12 months, 5 years etc) \*

Payment frequency (per month / quarter / year) \*

Payments (£) \*

Approx. value of asset at beginning of lease (i.e. if bought) \*

Please tick if there is there an option to buy at the end of the lease

Complete the information and click on save.

Once all new leases have been added select the correct response from the drop down box.

Please choose from the dropdown list to confirm that this section of the Return has been considered:

**Leases**

If your school has not had any new leases select the **No new leases** option.

Click on the Capital Financing button to go back to the main section.

<< Capital Financing

**Declarations**

**All the declarations should be discussed with the Head teacher before submission.**

**Capital Allocation from 2013/14**

Complete the section concerning the capital allocation from 2013/14.

**Devolved Formula Capital allocation for 2013/14 - Confirm that the DFC allocation for 2013/14 was spent by August 2016**

10. Please tick the box to confirm

OR if the 2013/14 allocation has not been spent

11. Please give concise explanation why

## Asset Disposal

Schools must complete asset disposal forms when assets are disposed of.

- Tick to confirm that the disposal forms have been completed.

**Disposal of Furniture & Equipment assets purchased from capital - Confirm that all disposals of furniture & equipment assets purchased from capital have been notified through the asset checking exercise or via Solero (using the 'Plant & Equipment Disposal' form)**

12. Please tick the box to confirm



## Asset Checks

The Capital Team have to ensure that the asset record that they hold for a school can be verified. This forms part of the Hertfordshire County Council audit each year.

Schools are required to complete the following declaration.

**As part of our ongoing Fixed Asset register checks, we may ask you if you can prove physical existence of any ICT or furniture and equipment asset purchased on or before the 31/03/2012 that you have not subsequently informed us as being disposed of. This would include items such as ICT, tables and chairs and security cameras, but not building costs to maintain/improve a roof for example. If you would be unable to correctly identify and prove existence of all such assets purchased on or before the 31/03/2012 please tick NO. Otherwise tick YES**

13.  Yes the school can fully verify assets purchased on or before the 31/03/2012

No the school can not

Schools must be able to confidently verify the existence of any item of ICT, furniture and/or equipment purchased on or before 31/03/2012. If schools are in any doubt about verification of such assets, it is strongly recommended that schools;

- **Tick No**

If the school has disposed of a relevant asset and has not completed an asset disposal form or informed the Capital Team of the disposal;

- **Tick No**

## Final Declaration

Complete the declaration box

**DECLARATION - this MUST be completed before submitting the Capital Return to the Capital Finance Team that the data supplied above is correct and accurate**

14. Declaration



15. Contact name

Mr A Headteacher

16. Contact telephone number

01992

17. Contact email address

head@trainingschool.herts.sch.uk

18. Email address of finance contact

sbm@trainingschool.herts.sck.uk

## Saving and Submission

Save your data as you complete each section. Pressing the Save button will calculate and validate the totals for the sections where you have entered data. If the totals validate correctly, the data you have entered so far will be saved on the database and a message will appear to confirm this.

You can come back to finish the remainder of the form later. If you left the form on the screen and it has timed out when you return to it, log into SOLERO again and select the Capital Return menu item. Any data already saved will appear on the form when you go into it again.

Save all values

Press the Submit button to confirm that you have completed the return. This will calculate and validate the totals for each section and will also run some additional checks across the form to ensure that all information has been entered as required and that the return balances correctly. If these checks run successfully, the data will be saved and a message will appear to confirm this.

After submission, please print each page of the Return for your records by clicking the Print button on that page.

Submit/Finish Return

Click on

Save all values

When you are ready to submit the return;

Click on

Submit/Finish Return

### Printing

It is recommended to print each section of the return after completion and keep the copies ready to agree to the Year End once completed.

If you have any queries regarding completion of this Return, please contact the Capital Finance Team at:

<http://www.thegrid.org.uk/info/capital/index.shtml>

Or Email:- [capital.finance@hertfordshire.gov.uk](mailto:capital.finance@hertfordshire.gov.uk)

## Revenue Contribution to Capital (Capital Shuffle)

You may not overspend Devolved Formula Capital (DFC) however you can support capital expenditure from revenue.

If your school has had a replacement roof, window walling or a new boiler you will be required to surrender some of the capital maintenance grant already devolved to you. Schools may choose to use DFC to pay the charge, if there is sufficient. Where the DFC is not sufficient to cover the charge schools may have to complete a Capital Shuffle for all or part of the charge.

**Please ensure that Capital Maintenance Grant charges are entered on the capital return, see Capital Maintenance Grant on page 7.**

If you need to use some of your Revenue to cover the additional cost of a Capital Project, you must do a **Capital Shuffle**.

Revenue can only be capitalised if the cost has been incurred during this financial year, or the building work is either under way or imminent.

**Please be aware that once revenue has been moved into capital it cannot be moved back from capital to revenue.**

## Capital Shuffle for RM Users

**Schools may have been asked to set the budget to show the capital maintenance grant contribution already.**

## **Schools may also have set the budget to show other revenue contributions to capital.**

Following the capital shuffle postings, as detailed below, schools would normally allocate budgets to cover the costs of the shuffle however allocations should not be necessary if the budget was already to include this.

### **When posting the actual cash transactions:**

- Post the capital transaction to CFR CE02 (it is recommended that you set up a budget per project for ease of interrogation later) or to the correct area of Capital expenditure.

(If the expenditure has already been posted in year against a revenue budget, for example E20 ICT and is now being capitalised then that transaction will need to be reversed and the expenditure re-posted to CE02.

### **Capitalising Revenue**

- Post Expenditure transaction to CFR E30 for the value of the revenue contribution (using analysis code/ledger code 660400). Reconcile this transaction.
- Post Income transaction to CFR CI04 for the value of the revenue contribution (using analysis code/ledger code 750800). Reconcile this transaction.

**The allocations/virements, as detailed below, should only be completed if the revenue contribution to capital had not been set in the budget.**

### **Allocations/Virements**

- Income **allocation** to CFR CI04
- Expenditure **allocation** to CFR CE02 or to where it is to be spent
- A virement should be completed move money from another budget to cover the value of the posting against 660400 and E30. (in the above example from E20 ICT to E30 Revenue Contribution to Capital).

**Below is a List of Budget Accounts showing an example of a completed capital shuffle for £7500**

- 1 CAPITAL (E30) - Shows the expenditure posting and allocation for the Revenue contribution.**
- 2 CE02R - Shows the capital expenditure posting and allocation from CI04.**
- 3 CI04 - Shows the income posting for the revenue contribution together with the allocation between here and CE02R.**

(If the original expenditure had been budgeted to a revenue budget eg E20 then vire this budget from E20 to E30)

Account	Description	Heading	Actual Spent/Rec'd	Budget Allocated	Balance	
<b>1</b>	CAPITAL	SBS Contribution to Capital	E30	7500.00	7500.00	0.00
	<b>Balance for E30 Direct Revenue</b>		<b>7500.00</b>	<b>7500.00</b>	<b>0.00</b>	
	CE01	Acquisition of Land & Buildings	ICE01-04	0.00	0.00	0.00
	CE02	New Construction, Conversion etc	ICE01-04	0.00	0.00	0.00
<b>2</b>	CE02C	Entrance Project	ICE01-04	479.00	14629.15	14150.15
	CE02R	CE02R DFC Capt Maint Roof Replace	ICE01-04	7500.00	7500.00	0.00
	CE03	Vehicle, Equipment & Machinery	ICE01-04	0.00	0.00	0.00
	CE04	ICT Capital Expenditure	ICE01-04	0.00	0.00	0.00
	<b>Balance for Capital Expenditure</b>		<b>7979.00</b>	<b>22129.15</b>	<b>14150.15</b>	
<b>3</b>	CI01	Devolved Formula Capital Grant	ICI01-04	-3254.50	-8509.00	-3254.50
	CI03	Private Income for Capital Funds	ICI01-04	0.00	0.00	0.00
	CI04	Capital Financing	ICI01-04	-7500.00	-7500.00	0.00
	<b>Balance for ICI01 - 04 Capital Income</b>		<b>-10754.50</b>	<b>-14009.00</b>	<b>-3254.50</b>	

## Capital Shuffle for FMS Users

### How to do the Capital Shuffle

Post a normal journal as follows:

**Debit** Ledger Code 660400 – Cost Centre E30 Revenue Contribution to Capital

**Credit** Ledger Code 750800 – Cost Centre CI04 Direct Revenue Financing

### **Followed by**

- Income budget **allocation** to CFR CI04
- Expenditure budget **allocation** to CFR CE02 or to the Capital expenditure Cost Centre where it is to be spent

To allocate in FMS, navigate to:

Focus / Budget Management / Cost Centre Allocation.

### **Income received towards a Capital project**

If you have received a donation that you wish to use towards a capital project this can be coded directly to Capital Income CI03.

For non VA schools please advise School Funding Unit of the source of the income and the amount. (email: [csf.sfu@hertfordshire.gov.uk](mailto:csf.sfu@hertfordshire.gov.uk))

- Income transaction to CFR CI03

#### **Followed by**

- Income **allocation** to CFR CI03
- Expenditure **allocation** to CFR CE02 or to the Capital expenditure Cost Centre where it is to be spent

#### **When posting the expenditure transactions:**

- Post as normal to CFR CE02 or to the correct area of Capital expenditure

## **Capital Budgets**

Please ensure that separate budget accounts/cost centres are set up for each capital project undertaken during 2016/17. This will enable expenditure on capital items relating to each project to be held in one account and identifiable to a particular capital scheme.

Please be aware that you may be requested to provide additional information to the Authority and its external auditors on expenditure from your capital budgets.

Further guidance on capital, including the main distinctions between capital and revenue expenditure, and principles of proper accounting treatment can be found on the School Funding Unit pages on the Grid, <http://www.thegrid.org.uk/info/sfu/publications.shtml>

## **Support**

If you are unsure of any of these processes please contact the Financial Services for Schools Helpline on the appropriate number noted on the front of this bulletin.