**CONVERTING TO ACADEMY**

**DETERMINATION – IMPREST, BUDGETS AND GRANTS**

**FAQS**

# Summary

The LA has four months from the date of conversion in which to close off the converting school’s accounts, agree the final position with the academy and transfer the balance due.

The closing position is calculated by way of a “Determination”, or conversion statement. This sets out all the elements of the school’s budget allocation such as:

* Schools Block,
* High Needs Block,
* Early Years

This shows the proportion of allocations which are retained by the school and how much is recouped by the LA. The Determination also looks at all grants allocated in the year, and any recoupments are calculated in line with the academisation guidelines, depending at what point the payment is taken over by the ESFA.

If a school is in a deficit position at the time of conversion, some additional factors need to be taken into account in the Determination. Please see the note re deficit schools in Q17.

## Q1 What do I need to do with the imprest account to prepare for conversion?

*A1*

1. *Cancel all Direct Debits (DDs) and Standing Orders (STOs) and where necessary, set them up in the new academy bank account. But, be careful to keep DDs or STOs active for long enough to cover any outstanding payments (eg for procurement card payments)*
2. *Advise anyone who may pay funds into the imprest account (eg parents, lettings customers etc) of the effective date for new bank details*
3. *If the school uses cheques, do a final cheque run as early as possible before the conversion date to allow time for the cheques to be presented*
4. *If the school uses BACS, a final BACS run can be done after the conversion date, as long as it is within a few days*
5. *Try and make sure as many bank transactions as possible are processed through the account before conversion*

## Q2 What is the deadline for my final imprest claim?

*A2*

*We do not fix an absolute date but ask for a final imprest claim as soon as reasonable after conversion, once everything that you aware of has gone through your account.*

## Q3 Will the final imprest claim reimbursement be paid into the academy bank account?

*A3*

*No. The reimbursement will be paid into your NatWest imprest account.*

## Q4 When will the school’s NatWest imprest account be closed?

*A4*

*Once the final imprest claim has been reimbursed, this should bring your account balance back to the notional allowance and we will then instruct NatWest to close the account. We wait for the account to be closed before finalising the settlement so any late transactions can be picked up and adjusted for in the Determination.*

## Q5 What happens if transactions go through the imprest account after the conversion date?

*A5*

1. *As in Q2 above, the final imprest claim is submitted after the conversion date, so transactions that go through the account shortly after conversion can be included in the claim*.
2. *If any transactions go through the account after submission of the final imprest, these are accounted for in the Determination (see Q4).*

## Q6 What happens if suppliers have not presented all their cheques when I do the final imprest?

*A6*

*As above (Q1) schools should try to pre-empt this as far as they can, by doing a final cheque run as early as possible before conversion and stressing to suppliers that cheques must be presented promptly. We will be as flexible as possible but we cannot delay the closure of the account indefinitely to wait for late presentation of cheques. If there were any cheques still unpresented by the time of closure, the amounts would be adjusted for accordingly in the conversion statement*.

## Q7 What happens with payroll?

*A7*

*Please contact Employee Services (**employee.services@wokingham.gov.uk**) at the earliest opportunity to let them know you are converting and get advice on the necessary steps to move to your new payroll provider.*

## Q8 Will all utility bills be up to date and in our final BWO report at the conversion date?

A8

*Utility bills are not dealt with by the Schools Finance Team. We have asked our colleagues in the energy team to keep billing as up to date as possible but we cannot guarantee that all bills will be included in the school’s final BWO report. Any bills relating to the pre-conversion period that come in subsequently are either accounted for as part of the Determination, or, if they are received after the settlement has been agreed, they will be invoiced directly to the academy. The funds to pay any late invoices will have been included in the surplus paid over to the academy.*

## Q9 Does the school get a refund for de-delegated charges?

*A9*

*ESFA guidelines stipulate that where schools convert to academy status on or before 1st September, they will receive a refund of* $7/12$ *of de-delegated charges. For conversions on or after 2nd September up to and including 31st March, the L.A. can retain any de-delegated funding for the remainder of the financial year, and no refund is due to schools. This helps L.A. service providers plan their future operations.*

## Q10 What happens about Traded Services?

*A10*

*Please contact any services which the school has bought into. Advise the service of your conversion date and discuss with them whether you wish to cancel or continue with their service post conversion.*

* *The service will advise if it is possible to continue*
* *If you do not continue with the service, a refund may be due, but this depends on the contract terms of each individual service. As such, all traded services are reviewed on a case by case basis, and refunds are calculated accordingly.*

## Q11 Are rates refunded?

*A11*

*Yes, the refund is pro-rated for the number of days post conversion. The academy will then be billed directly including 80% charity relief.*

## Q12 What happens about Procurement Cards?

*A12*

*Please contact the P Card team (**procurementcards@wokingham.gov.uk**) as soon as your conversion date is confirmed. They will advise on the process for cancelling cards.*

## Q13 What happens about PPG?

*A3*

*A proportion of a converting school’s PPG allocation is paid by the L.A. with the remainder being recouped as part of the Determination and paid direct to the school by the ESFA. The proportion depends on the date of conversion:*

* *conversions on or by 1st September - LA pays* ${5}/{12} $*of the annual allocation*
* *conversions after 1st September and on or by 1st January – LA pays* ${7}/{12}$ *of the annual allocation*
* *conversions after 1st January – LA pays full annual allocation*

## Q14 What happens about other grant funding (UIFSM, PE grant, TPG, TPECG)?

*A14*

*These are accounted for in the Determination with all amounts due to the school forming part of the final settlement amount. Any remaining grant amounts relating to the rest of the year will be paid directly to the academy by the ESFA.*

## Q15 How is SEN and Early Funding sent to the school?

*A15*

*As part of the Determination, SEN and EY allocations that have been made are time-apportioned up to the date of academisation. Subsequent funding will be paid direct to the academy by the LA.*

* *SEN funding is paid monthly. The annual amount for the financial year is calculated and split over 12 monthly payments. After conversion, the funding is split over the remaining months of the financial year.*
* *EY funding is paid termly during the 11th week of term (excluding the week of half term). Funding is calculated as an 81% advance for the following term and an adjustment for the previous term.*

## Q16 How will the brought forward balance be paid over to us?

*A16*

*This forms part of the Determination*

## Q17 Purchase Orders and Invoicing once academised?

*A17*

*If you continue using the Energy, and Traded Services after academisation, please advise if you will be raising a PO so we can communicate to this process to the Business Services team.*

## Q18 What happens if the school is in deficit at the time of conversion?

*A18*

*If a school is in a deficit position, all the same elements of funding are accounted for in the Determination, but the effect of refunding de-delegated charges, rates, traded services etc is to reduce the school’s deficit. Similarly late bank transactions, late invoices or credits relating to the everyday costs of the school are reflected in the final deficit, rather than being charged or credited to the academy.*

*As regards government grants, i.e. income such as PPG, UIFSM etc that is not part of the school’s budget share, this funding is made available to the school irrespective of any deficit and these grants are shown separately on the Determination.*

## Q19 Will the school need to prepare a CFR and perform Closure tasks?

*A19*

*No, Schools Finance will prepare the CFR and upload this to the DfE COLLECT portal for the year end closure.*

## Q20 Are there any costs to converting to an Academy?

*A20*

*Yes, A one-off fixed fee of £5000 + VAT is charged by the LA when a school converts to academy. It covers the work of various WBC departments, as required in each individual case, and includes:*

* ***Property and Shared Legal Services***
	+ - *Identifying assets and leases to be transferred*
		- *Performing title checks, resolving boundary issues etc*
		- *Dealing with the accounting issues involved with transfer of assets*
* ***Insurance***
	+ - *Amending WBC schemes and clarifying that cover correctly transfers on the date of conversion*
* ***Procurement cards***
	+ - *Ensuring cards are stopped at conversion and following up final payments*
* ***Payroll***
	+ - *Assisting with set up of new payroll arrangements*
* ***HR***
	+ - *Assistance with TUPE process*
* ***Schools Finance***
	+ - *Advice to school pre and post conversion on accounting implications*
		- *Preparation of Determination statement*
			* *Reconciliation of DfE recoupment*
			* *Reconciliation of budget and grant allocations*
			* *Reconciliation of de-delegated charges and income*
		- *Reconciliation and closure of imprest account*
		- *Liaising with other WBC departments to ensure all pre-conversion charges or credits are processed*
		- *Transfer of final agreed balance to school*
		- *Informing DfE of final agreed balance within statutory timescale*
		- *Preparing school’s closing figures to upload to DfE COLLECT portal at financial year end*
* ***Capital Team***
	+ - *Liaise with school on calculation of closing devolved capital*
		- *Arranging transfer of any surplus balances*

## Q21 How will I be invoiced in future?

*A21*

*If you require a PO on invoices raised by WBC, please ensure you advise. We suggest you set up two supplier, one for Schools Finance and one for Business Services so you can add the appropriate contact details to each supplier.*

Schools Finance - Top-ups and reimbursements (schoolsfinancehelpdesk@wokingham.gov.uk)

Business Services – Energy, Traded service (business.Services@wokingham.gov.uk)

If you have any queries in relation to this document or have any further queries, please contact the Schools Finance: schoolsfinancehelpdesk@wokingham.gov.uk