11 th June 2024

**Financial year ended 31 July 2024**

This memorandum confirms the arrangements for closing the University’s group financial statements for the year. I would kindly request your assistance in dealing with the matters listed below.

The University is required to produce financial statements that reflect the financial activity and resulting position of the University and its wider group for the year to 31 July.

These notes are designed to give clear guidance to all those involved in administration of the University’s activities. Note that administrators in the international operations will be contacted by Finance separately for their year end results.

The timescales are designed to comply with external reporting requirements. These instructions will be placed on the [Finance website](http://www.rdg.ac.uk/finance/).

**It is important to note that this year we will be closing the AR and AP ledgers on the last working day of July (Wednesday 31st July). This is identical to last year and you should build this into your plans when organising your yearend activities.**

The University’s auditors (Forvis Mazars) will be performing the yearend financial audit. Please give them your full cooperation.

The memo is intended to provide all the relevant information required. If anything is unclear or if you have any queries please contact me or your usual contact in Finance.

Please could you also distribute these instructions to all appropriate persons within your area of responsibility.

Thank you for your co-operation and assistance.

Jeremy Henwood

Group Financial Accountant

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# 1 Cash received

Please bank all cash and cheque income received up to 30th July by close of play on 31st July. This excludes petty cash floats shown on the certificate of cash held (see 10 below). Any material amounts banked after the deadline should be notified to the Analysts or Technical Accounts Assistants for accrual if necessary. Please note that there is no longer a cash office counter facility in Whiteknights House.

# 2 Income and debtors

Please ensure that sales invoices / credit notes relating to 2023/24 that are raised outside of Agresso and need to be manually input / loaded into Agresso are with Finance by 30th July in order to be processed in the correct financial year. Sales invoices should always be marked with the date of delivery of the goods / services.

# 3 Payment of invoices

This year there will be a mix of Agresso and eMarketplace purchase orders. For **Agresso** purchase orders (primarily from Estates) the guidance remains the same; namely please ensure that all goods or services received by 31st July have had the Goods Received Note (GRN) processed in Agresso. Finance will run a report from Agresso at the start of August showing all items GRN’d but not invoiced as at 31st July. This will be used to generate accrued expenditure. Please ensure that all supplier invoices are sent to Accounts Payable for processing as soon as possible. With the holiday period approaching, please ensure that if any P2P authorisers will be on leave, they have set up substitutes in Agresso.

For **eMarketplace** purchase orders there will be a 3-way matching of purchase orders, GRN’s and invoices and Finance will run the necessary reports from this system to generate accrued expenditure. Finance have documented the approach to be used for eM accruals and will provide information on this separately.  It is important that all users must have good receipted any goods and services that have been received as at 31 July 24.

# 4 Expense claims and advances

Please remind relevant staff, students and visitors to bring any expense claims up to date by the end of July and please highlight that claims more than **6** months old will not be paid. Staff with outstanding advances for expenditure incurred in 2023/24 must also provide returns to clear those by the end of July, so that the expenditure can be recorded in the correct financial year.

# 5 Year end statements

Reports for period 12 will be on the website by noon on 8th August. Please review these statements and notify Finance of any errors or omissions by 12th August.

# 6 Accruals, prepayments and income adjustments

These are accounting adjustments for items not initially processed in the financial year to which they relate. A materiality level of **£1,000** will be applied to all adjustments. Therefore if it is **less than £1,000 we will not** be adjusting for the transaction unless there is external funding that ends 31st July 2024. These transactions must all be supported by backing documentation. The main four types of adjustment are:

|  |  |
| --- | --- |
| Adjustment | Reason for adjustment |
| (a) Accrued expenditure | Where goods or services are received before 31st July but the supplier invoice is not processed in 2023/24, the expenditure will not automatically appear on the period 12 statement. Therefore it needs to be accrued. (If the item has been GRN’d the accrual will be automatically generated by Finance). |
| (b) Prepaid expenses | Where a supplier invoice is processed in 2023/24 but relates to goods or services received after 31st July, the expenditure needs to be treated as a prepayment so that it is taken out of the current year and put into the next. |
| (c) Income in advance | Where a sales invoice is raised or income is received in 2023/24 which relates to a supply of goods or services taking place after 31st July, the income needs to be taken out of the current year and put into the next. |
| (d) Accrued income | Where goods or services are supplied to customers by 31st July but a sales invoice is not raised (or income received) in 2023/24, the income will not automatically appear on the period 12 statement and must be accrued. |

Adjustments (a) & (c) will show as a charge in the old year; (b) & (d) as a credit. If you have any such items then please use the appropriate template at Annex 1 to notify Finance. The completed template should be signed and all supporting paperwork attached. **We would prefer documents to be scanned and emailed if possible**. Only items received on or before 31st July and with a value **>£1,000** will be accrued (if the item has been GRN’d the accrual will be automatically generated by Finance). Please remember to take into account VAT where it is a cost to your project, and to accrue for any timesheets, fee forms and purchase card items relating to the closing year which have not yet been processed. **Please do NOT complete these forms until after AP and AR ledgers have closed on 31st July**. All Schools are required to return these forms by **12th August** including NIL returns.

# 7 Purchase cards

Purchase card statements will need to be verified and approved in line with the normal timetable. This will typically mean that July’s expenditure will be processed in August ie the following year. If you have significant items of July expenditure which need to be brought into the current year, you need to either code them online before 31st July or include them in your accruals (but not both). We will again apply a materiality of **£1,000** to accruals.

Please also include any reverse charge VAT payable in respect of these material items (please contact vat@reading.ac.uk if you need any advice regarding whether or not reverse charge VAT would be due).

# 8 Internal transfers / BIFs

If your area generates income from internal transfers, Finance must receive the BIF spreadsheets for activity up to and including 31st July by 2nd August.

# 9 Stock

All units that hold stock must carry out an annual stocktake. Details of this year's stocktaking and accounting instructions are in Annex 2. The stocktake certificate and stock sheets are now contained in a separate Excel attachment (Annex 3). Please use the excel sheet to record your stock details as this helps to minimise the number of numerical errors. Please notify Caroline Grant of your arrangements by 3rd July so that arrangements can be made for external auditor attendance (if required). Please return the completed stock sheets and stocktake certificate by email to Caroline ([caroline.grant@reading.ac.uk](mailto:caroline.grant@reading.ac.uk) / Room G11, Whiteknights House) by 2nd August. Remember to include VAT in the costs unless the project is fully recoverable.

# 10 Petty cash

Petty cash floats must be reconciled and certificated (see Annex 3) as at 31st July. Please complete the certificate and return by email to Simon Mealor and Gabi Thomas in Treasury ([simon.mealor@reading.ac.uk](mailto:simon.mealor@reading.ac.uk) [gabriela.thomas@reading.ac.uk](mailto:gabriela.thomas@reading.ac.uk) / Room G11, Whiteknights House) by 2nd August. In addition they may also be posted by internal mail. The certificate should include all floats held at 31st July. Please note that the University seeks to remove the use of petty cash and replace with other more secure and cost effective forms of payment, and there is no longer a cash office counter facility. Please review all petty cash usage in order to identify alternative payment methods and to be able to close floats.

# 11 Fixed asset disposals / donations

Fixed assets are items of property, plant and equipment where the cost or value exceeds £10,000 and the item has an expected life of a number of years. In order that assets can be accounted for correctly, it is important that you notify Caroline Grant ([caroline.grant@reading.ac.uk](mailto:caroline.grant@reading.ac.uk)) in Finance by 2th August if during 2023/24 you have either disposed of any assets (including “trading-in” assets e.g. vehicles) or received any donated assets.

# 12 Hospitality register

Please ensure that your departmental hospitality register is up to date with all hospitality and gifts received which are valued over £10.

# 13 In the event of queries

If you have any queries on these procedures please contact Jeremy Henwood (Group Financial Accountant) or your usual business partner contact in Finance.

# 14 Reminder of key dates

Stocktake arrangements to Caroline Grant 3rd July

Banking of cash and cheques received 31st July

Year end 31st July

Paperwork / files to be with Finance (excluding Annex 1) 2nd August

* BIFs / upload files
* Completed stock sheets
* Notification of fixed asset disposals / donated assets received
* Excel sales invoices
* Internal transfers
* Petty cash float certificates

Period 12 transaction listings available on web 8th August (noon)

Notification of final adjustments (Annex 1) **including NIL returns** 12th August

**Annex 2**

**Stocktaking**

There follows an outline of stocktaking procedures. Please use the attached excel template to record your stock (Annex 3). The completed stocksheets, priced and valued, must be returned along with the embedded completed certificate by email to Caroline Grant in Finance ([caroline.grant@reading.ac.uk](mailto:caroline.grant@reading.ac.uk) / Room G11, Whiteknights House).

Please let Caroline know the date of your stocktake so that we can let the external auditors know the dates of all the stocktakes; they have right of attendance at any, with no obligation to give any notice. They should be asked for proof of identification, which they are required to carry.

Standard stocktaking procedures

1. Stocksheets should be completed and numbered. A certificate is attached to the front and should be completed and sent to Finance by email. The certificate should state the stock value and number of stocksheets attached.
2. The stocksheets should include the location, description for each item, unit of measurement, unit value, quantity counted and total value. Stock should normally be valued on the basis of the lower of cost and net realisable value.
3. Costs should be after normal discounts, but include routine packing and delivery charges.
4. VAT should be included unless the activity is fully VAT recoverable; this can be checked by looking at the tax code on the project set-up. Only trading areas unrelated to education, eg bar stock, are fully recoverable. For all other stocks VAT should be included in the costings. If you are unsure about the VAT status of a project please contact the VAT team in Finance.
5. Stocksheets must be numbered, totalled and certified.
6. Where stock counts are split into categories, a separate stocktake template with completed certificate must be completed for each type of stockholding; for example provisions, bar, cellar, housekeeping, catering disposables, catering provisions.
7. Where practical, two people should take stock and and an independent, authorised officer should check the stocksheets.
8. Details of any damaged, slow moving and obsolete stock must be noted.
9. If continuous stock records are maintained the auditors may check these records against the stocktake figures, and report and investigate any significant differences.
10. There should be no movement of stocks during the count where practical.
11. Any material deliveries after the stocktake but before the year end should be notified to Finance for adjustment.
12. If stocktaking is performed after the last day of the financial year, any quantities sold or used after the end of the financial year but before the stocktake should be included as stock. Deliveries after the end of the financial year and before the stocktake must be excluded from stock.

Annex 4

**PETTY CASH CERTIFICATE**

**Petty Cash Float Balance as at 31st July 2024**

**Name of School / Service: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Contact name re float: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Telephone No of contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Project code of float: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

I confirm that the balance held in this float as at 31st July 2024 is as follows:

|  |  |
| --- | --- |
| Amount held in cash | £……………………… |
| Amount held as receipts | £……………………… |
| Total approved float | £……………………… |

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Please return by email to Simon Mealor and Gabi Thomas in Treasury ([simon.mealor@reading.ac.uk](mailto:simon.mealor@reading.ac.uk) [gabriela.thomas@reading.ac.uk](mailto:gabriela.thomas@reading.ac.uk) / Room G11, Whiteknights House) by 2nd August 2024. They may also in addition be posted by internal mail.

*For Finance Use:*

*Checked ………………………………… Date ………………………*