

PAYROLL

Payroll processing has always been an onerous and time consuming exercise for all employers; and, if the function is outsourced to an external company, this often is at a large cost to the employer.

Academies are huge employers and as such, payroll processing can be a stressful and expensive job.

At Evolution we provide a fully comprehensive payroll service with fixed fees and no hidden extras; making budgeting and cost management easier for our clients.

We also offer a BACS Bureau service which means we are able to:

- pay wages direct to clients' employees
- make PAYE/NIC payments direct to HMRC
- pay pension deductions direct to pension providers; and
- process attachment of earnings orders, union subscriptions and other deductions

We will also deal with relevant pension responsibilities such as dealing with starter and leaver forms and completion of the annual TR17 return.

Our payroll service will also provide you with your monthly payroll journal for processing on your accounting system.

For more information about our payroll services, please contact us.



CURRENT ISSUES AND FUTURE DEVELOPMENTS

Academies Financial Handbook

The current handbook was issued in 2006 and is out of date in a number of areas including VAT guidance. This has caused problems for a number of academies and the YPLA intend to address this by issuing new guidance throughout the 2011/2012 academic year to replace the existing handbook.

We are happy to talk to academies about specific areas of concern relating to the existing handbook and offer guidance on the new documents as and when they appear.

Responsible Officer Role

At the moment all academies are required to appoint a Responsible Officer (RO) to provide the governing body with ongoing oversight of the academy's financial affairs. This is an area under constant review by the YPLA and at present, there are no firm plans to change the current regime.

Academies should continue to appoint an RO; a copy of the appointment form should be emailed to YPLA. If any changes are proposed or made to the nature of the RO role, we are more than happy to discuss the implications with you.

UK GAAP and the Charities SORP

Academies' annual accounts must be prepared in accordance with the Charities' SORP. A new SORP is currently under development and this will be published online in due course for public consultation. The timing of this is unknown as there are also plans in the pipeline for a review of UK Generally Accepted Accounting Practice (UK GAAP).

Any changes will be reflected in future editions of the Annual Accounts Direction handbook and we will discuss the implications for our clients as and when the new guidance becomes available.

Contact Us

info@evolutionllp.com

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IN BRIEF

- The Excel-based Abbreviated Accounts Return (AAR) is now available on the YPLA website, together with detailed guidance on its completion. We are happy to assist any of our clients in the completion of the model to ensure that it is submitted to YPLA in advance of the 31 December deadline.
- All academies are required to produce Financial Management and Governance Evaluation (FMGE) returns. New academies must submit the return by reference to the specific guidance on the YPLA website. Existing academies preparing accounts to 31 August 2011 must have their FMGE return with the YPLA by 29 February 2012. There are two versions of the return available, with a full return required by all federations, academies previously self-assessed or assessed by the YPLA with an inadequate overall rating for financial management and governance, any academy that has not previously completed an FMGE return and any academy wishing to upgrade its overall rating for financial management and governance since the last round. Other academies can submit a summary version.
- Following consultation between the DfE, YPLA and professional advisers, it has been confirmed that the LGPS pension surplus or deficit should be recognised against restricted funds in the accounts in order to match it against GAG. This is a change from previous guidance and is in line with how we have been dealing with this in financial statements that we have prepared.
- CIPFA have warned academies that they may fail if they do not professionally manage their funding and finances. They have urged academies to seek expert guidance to ensure that they fulfil all statutory obligations and manage their finances in a manner appropriate to their new situation. Our fixed-fees include all up front and ongoing support that a new academy needs to succeed and we are committed to continuing to support our clients in any way that we can.
- Don't forget that your GAG2 return needs to be completed and submitted to YPLA within six weeks of receipt of your funding letter. A template GAG2 is available on the YPLA website. If you need any help completing the form please contact us.
- Academies are potentially entitled to up to 80% relief on the full or transitional rate on Business Rates due to their charitable status. To do so you should contact the relevant local authority for an application form.

ACADEMIES AND CORPORATION TAX

Although Academies are treated as charities for tax purposes and should be exempt from paying corporation tax on their income, all schools should monitor their income from other sources to ensure that any income that could be classified by HM Revenue & Customs as trading income is below the relevant thresholds and so exempt from tax.

Our tax team is happy to talk to any Academy about their own circumstances. In addition we have produced a fact sheet outlining the main principles.

Should you require a copy or would like to arrange an appointment to discuss the options available, please contact our Senior Tax Manager, Lee Watson at lee.watson@evolutionllp.com or give him a ring on 01642 221 331.

We would like to take this opportunity to wish you a very Merry Christmas And a Happy and Prosperous New Year!

