

## North Yorkshire County Council

### The Provision of a Financial Accounting System for Local Authority Maintained Schools – Lots 3 & 4

### SIMS Financial Management System (FMS)

21<sup>st</sup> November 2016

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## 1.0 Introduction



SIMS provides a comprehensive suite of software applications and resources that has been developed specifically to support financial management in schools.

SIMS Financial Management System (FMS) covers the full range of accounting functions required by schools and academies, whether they run their own accounts locally (often referred to as 'Cheque Book Schools') or have their finances managed centrally by their local authority. FMS is a full double-entry accounting system that includes fully integrated General Ledger, Accounts Receivable, Accounts Payable and Budget Planning Modules.

It is possible within a single FMS database to define different account 'funds', which means that learning establishments are able to provide clear information on different funding streams.

FMS meets Department for Education (DfE) requirements with regard to Consistent Financial Reporting (CFR) and supports electronic trading with suppliers.

FMS is accredited by the Institute of Chartered Accountants in England and Wales (ICAEW), and has been subject to rigorous testing and approval processes by local authority auditors for over twenty years.



## 2.0 Resources Suite

### 2.1 Overview

The FMS Resources Suite comprises of a number of key areas of functionality, revolving around:

- General Ledger (GL)
- Accounts Payable (AP)
- Accounts Receivable (AR)
- Equipment Register (ER)
- Budget Planning (BP).

The following details this functionality and outlines the core capabilities.

#### 2.1.1 General Ledger

The General Ledger (GL) is at the heart of SIMS FMS. The GL Module supports the definition of a customisable GL Chart of Accounts which allows the user to view the effects of the movement of money by looking at cost centres, ledger codes and fund codes. Users can view expenditure and income and balance sheet from the Chart of Accounts Review routines (see example below).

The screenshot displays the 'Chart of Accounts Review' window in the FMS software. The window title is 'FMS Chart of Accounts Review'. The interface includes a menu bar (Focus, Chart of Accounts, Edit, Reports, Tools, Window, Help) and a toolbar with various icons. Below the menu, there are search fields for 'Cost' (All Cost Centres), 'Ledger' (All Ledger Codes), and 'Fund' (All Funds), along with a 'Reset All' button and a checkbox for 'Show All Prev. Yr. Movement'.

The main data table is as follows:

Period		Actual	Current Budget	Variance C.Bud-Act	Orig. Bud.	Variance O.Bud-Act	Prev. Year Actual	Variance (Actuals)
0	O/B	0.00	0	0.00	0	0.00	0.00	0.00
1	Apr	13782.46	16256	2473.54	0	-13782.46	-12004.40	25786.86
2	May	-26272.15	-24872	1400.15	0	26272.15	-62546.22	36274.07
3	Jun	-29718.18	-22640	7078.18	0	29718.18	-54056.19	24338.01
4	Jul	-13656.90	-27826	-14169.10	0	13656.90	-53669.25	40012.35
5	Aug	28469.78	4097	-24372.78	0	-28469.78	-4776.81	33246.59
6	Sep	-24388.71	-27967	-3578.29	0	24388.71	-44156.66	19767.95
7	Oct	-10180.28	-11842	-1661.72	0	10180.28	-35464.50	25284.22
8	Nov	-7203.73	-3035	4168.73	0	7203.73	-36812.33	29608.60
9	Dec	-8043.12	-10935	-2891.88	0	8043.12	-50918.61	42875.49
10	Jan	-5598.00	-13779	-8181.00	0	5598.00	-44942.12	39344.12
11	Feb	0.00	28118	28118.00	0	0.00	0.00	0.00
12	Mar	0.00	1094425	1094425.00	0	0.00	0.00	0.00
13	Y/E	0.00	0	0.00	0	0.00	0.00	0.00

Below the table, there is a 'View Transactions' button and a 'Print...' button. A summary row is also present:

Budget	Commitment	Invoiced	Actual	Total	Remaining
1000000	1018009.34	+ 3000.00	+ -82808.83	= 938200.51	61799.49

**Chart of Accounts Review**

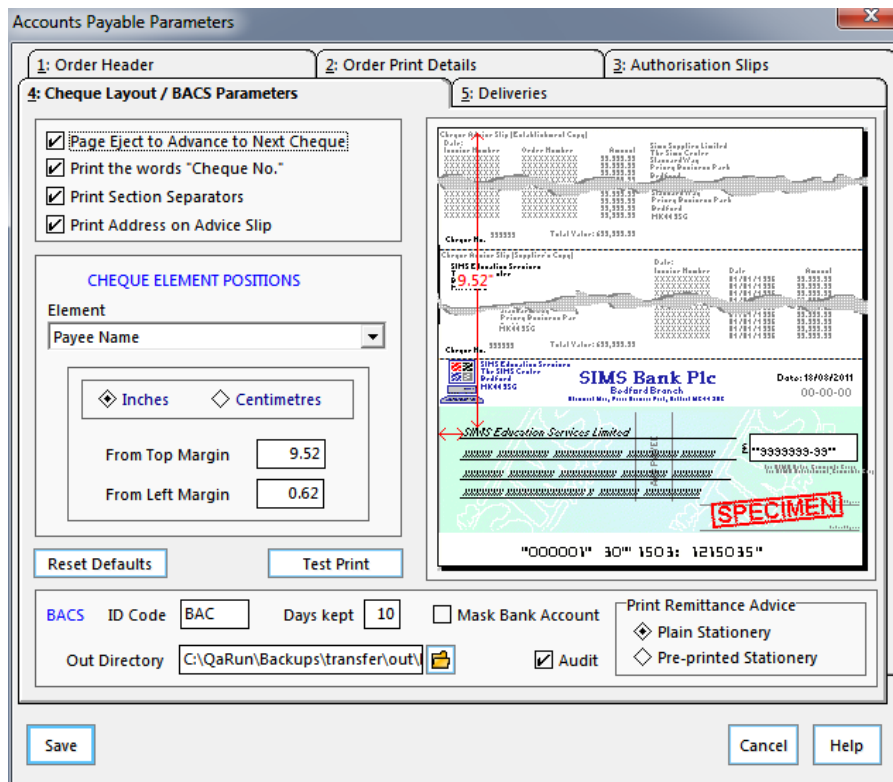
Beyond this, SIMS FMS General Ledger supports the processing of journal entries, petty cash transactions, receipt of sundry income and the reconciliation of bank statements.

SIMS FMS General Ledger also provides a comprehensive range of predefined reports including trial balances, VAT reports, expenditure analysis and audit reports. Users can also define their own reports.

**2.1.2 Accounts Payable**

The Accounts Payable (AP) Module provides facilities to raise orders, delivery notes, invoices and credit notes. It also supports the processing of payments (by cheque, BACS or debit card).

The AP Module offers schools flexibility to define the contents of their purchase orders and the layout and parameters of their pre-printed cheque stationery to meet their specific needs (see sample screen below). Schools can also define BACS processing parameters.



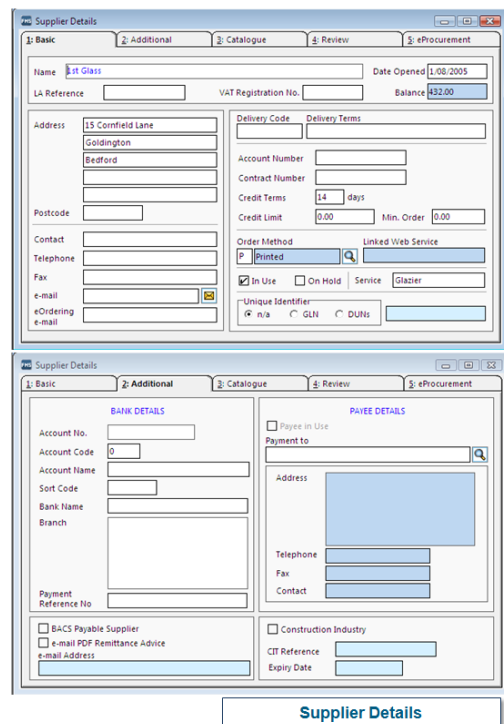
Accounts Payable Parameters – Cheque Layout

A key element of the AP Module is the ability to manage details of suppliers and their catalogues of products and services.

The supplier basic and additional details screens are shown (opposite) and are used to record all the information required by FMS to process orders, invoices and credit notes relating to each supplier of goods and services that the school uses.

The principle function of the AP Module is to allow schools to raise purchase orders. The order processing routines in this module have been developed to reflect the real-life scenarios that schools and academies face, including the ability to accommodate part deliveries, deal with cancellations and allow schools to define authorisation limits and procedures. It is also possible to add free-text special instructions to orders before they are printed/ sent to the supplier. The ability to generate purchase orders as a .pdf document and attach the .pdf to an email so that it can be emailed directly to a supplier will reduce the cost of purchasing.

Invoices can be processed against orders raised in the AP Module. It is also possible to process non-order



Supplier Details

invoices, eg, for utility bills, telephone charges etc. Supporting documents in the formats of bitmaps, JPEGs and PDFs can be attached to the FMS record so that they are stored and viewed at a later time. Once again, the invoice processing routines have been developed to meet the specific needs and workflows of schools and academies, drawing on Capita's experience of providing finance solutions to the Education Sector since the introduction of Local Management of Schools in the 1988 Education Reform Act.

The AP Module also supports the processing of credit notes and sundry payments, as well as dealing with the recording of VAT on an accruals basis in accordance with the requirements of Her Majesty's Custom and Excise Office.

Reports available from the AP Module include lists of purchase orders, invoices and credit notes, aged creditor analysis, supplier status and the Inland Revenue S16 report (a statement of the total amount paid to suppliers across a range of services) are also predefined in the system. Other reports include delivery note details and those suppliers who have an imported catalogue.

FMS is also configurable for use by academies and other learning establishments that are not VAT-registered by generating the HRMC VAT 126 report for transactions that have been paid.

#### **2.1.2.1 Electronic Catalogues**

Many suppliers provide electronic catalogues of their goods and services in a format that is compatible with SIMS FMS.

These catalogues can be imported and updated using automated routines within the AP Module to ensure that the school has the latest list of products and their prices available when placing an order.

#### **2.1.3 Accounts Receivable**

The Accounts Receivable (AR) Module records all invoiced income for products and services that are provided by the learning establishment.

It provides full support for raising invoices/ credit notes, processing receipts (including linking paying in slip numbers to receipts for payments made by cash or cheques) and enabling bad debts to be written off, where appropriate. The AR Module also allows refunds to be made to debtors, where they have overpaid.

This module also contains a set of predefined reports, including transaction reports, aged debtor reports, statements and paying-in/ bank reports.

#### **2.1.4 BACS Processing**

BACS (Bankers' Automated Clearing Services) processing provides an alternative to cheque processing for the payment of Accounts Payable invoices. Given the planned phasing out of cheques before the end of the current decade, BACS payments are likely to become the de facto standard.

FMS supports the BACSTEL format and is supported by many BACS bureau and is compatible with most High Street banks, eg, Barclays, Co-op, Lloyds TSB, Nat West and RBS.

FMS also supports .csv and faster payment methods for banks including Yorkshire Bank and Danske Bank.

### 2.1.5 Central Payments/ Receipts

A significant number of schools do not have their own local bank account and hence all payment to suppliers and receipts of income are channelled through facilities offered by their local authority. These transactions can be transferred in the traditional paper based methods or electronically in both directions ie, school to local authority and local authority to the school.

### 2.1.6 eProcurement

Increasingly, schools are seeking the efficiencies and convenience offered by internet ordering and invoicing. SIMS FMS has led the way for schools' finance systems in developing an eProcurement and schools can trade electronically with a number of suppliers

### 2.1.7 Salary Projections

FMS generates the gross costs of employing members of staff by using contractual data. These projections are calculated by making use of salary, allowances, National Insurance and superannuation data entered in the SIMS Personnel Module.

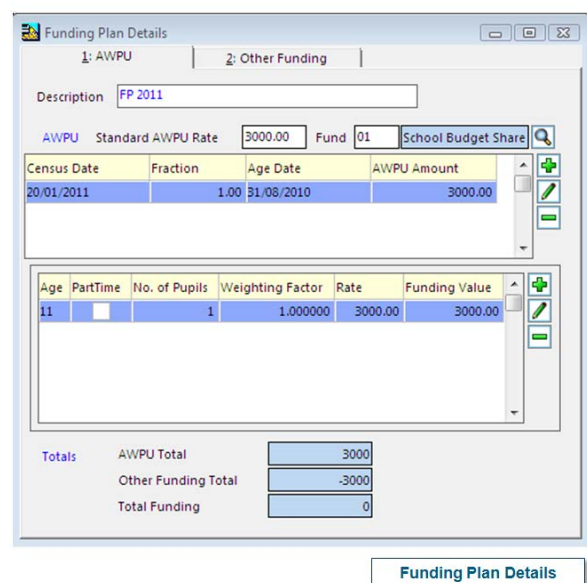
Once the members of staff have been paid, their payroll costs can be imported from a variety of payroll packages seamlessly. Interfaces can be tailored to receive the data from Capita HR and Payroll, local authority corporate payroll systems as well as from Pegasus and IRIS EARNIE. The payroll costs are reconciled to the salary projections, which automatically enable variation reports to be produced and reviewed. If a payroll payment cannot be automatically reconciled, it falls into suspense allowing manual intervention to take place. If the payroll payments are not available electronically, they can be entered either individually or for a group of staff.

### 2.1.8 Budget Planning

The Budget Planning Module provides powerful tools to assist schools in planning the income and expenditure budget for the following financial year.

The Budget Planning Module draws on the actuals from the current and previous year, together with details of the previous budget and any global increase/ decrease that is to be applied for the following year to create a Base Plan, together with a Funding Plan, a Salary Plan and an Income and Expenditure Plan.

The Funding Plan (see example opposite) reflects the funding received for the projected number of pupils on roll held within the SIMS pupil database, utilising an AWPU (Age Weighted Pupil Unit) calculation, based on the information provided by the local authority or/ EFA (Education Funding Agency). Other funding sources can also be projected to create the final Funding Plan.



The Salary Plan (below) takes data from the SIMS Personnel Module.

The screenshot shows the 'Salary Plan Details' window with a 'Projection' tab selected. On the left, a tree view shows 'All Cost Centres' including Admin & Clerical, Catering Staff, Cleaners, Educational Support, Midday Supervisors, Site Officers, Teachers, and Technicians. The main area displays a table with columns for Month (Prd), 2009, Basic, NI, Super, Total, and Variance. A 'Totals' row is at the bottom.

Prd	2009	Basic	NI	Super	Total	Variance
Apr	233285	195458	14288	28942	238689	5404
May	233238	195458	14288	28942	238689	5451
Jun	233249	195458	14288	28942	238689	5439
Jul	230152	192828	14183	28499	235510	5358
Aug	224665	188203	14178	27639	230020	5355
Sep	238424	199595	14694	29525	243814	5390
Oct	238637	199595	14694	29525	243814	5178
Nov	238571	199595	14694	29525	243814	5243
Dec	236218	197493	14637	29193	241322	5104
Jan	236175	197493	14637	29193	241322	5147
Feb	238571	199595	14694	29525	243814	5243
Mar	238593	199595	14694	29525	243814	5221
<b>Totals</b>	<b>2819778</b>	<b>2360367</b>	<b>173967</b>	<b>348976</b>	<b>2883311</b>	<b>63532</b>

Salary Plan Details

The Salary Plan allows the budget to reflect the anticipated gross payroll costs of the staffing structure that the school will be operating, including any pay awards, increments, allowances and other variations that need to be taken into account. A 'Salary Calculator' is provided to help with projecting future salary costs.

The Income and Expenditure Plan (see below) takes account of several factors:

- The total budget available for the coming year.
- Last year's actuals.
- The previous budget.
- Current year's actuals.
- A rounding factor.
- A default global percentage increase/ decrease.

The screenshot shows the 'Income & Expenditure Plan Details' window with an 'Allocation' tab selected. On the left, a tree view shows 'All Cost Centres' including 1. Staff, 2. Premises, 3. Curriculum, 4. Central, and 5. Income. The main area is split into 'Expenditure' and 'Income' sections. The 'Expenditure' section shows a table of 'Ledger Codes' with columns for Code, Description, 2009, Planned, and Variance. Below this is a 'Summary Information' table and a 'Ledger Items' table.

Code	Description	2009	Planned	Variance
1340-01	Staff Travel	1512	1512	0
1340-02	Staff Travel	0	0	0
1350-01	Staff Subsistence	600	600	0
<b>Totals</b>		<b>1736058</b>	<b>2040231</b>	<b>304173</b>

Limit	Allocated	Unallocated
Exp 1540231	2040231	-500000
Inc 70400	70400	0
Net 1469831	1969831	-500000

Description	Planned
Staff Travel	1200
Staff Travel	312
<b>Totals</b>	<b>1512</b>

Income & Expenditure Plan Details

### **2.1.9 Budget Management**

FMS allows establishments to assign their annual budgets to their chart of accounts against ledger code/ cost centre links. The budget can be 'fixed' establishing the original budget that was approved by the Governors whilst allowing budget virements to be undertaken to maintain the current budget.

#### **2.1.10 SIMS Equipment Register**

An integral element of FMS is Equipment Register (ER) which provides an electronic inventory to record all items of equipment held by the school over a given threshold. The items can be assigned to a member of staff and to a room. Stock take and Inspections reports can be generated on a periodical basis allowing items to be checked. Items that are no longer usable can be removed with the details being recorded in the audit trail.

Equipment Register has been enhanced enabling academies to record assets and to calculate depreciation on a periodic or annual basis using either straight line or reducing balance basis.

### **3.0 FMS Optional Additional Applications**

#### **3.1 SIMS Financial Reporting Suite (SIMS FRS)**

SIMS Financial Reporting Suite provides finance officers and business managers with enhanced and flexible reporting for SIMS Financial Management System (FMS) for primary and secondary schools and academies.

Effective financial reporting has never been more important. There is an increased need to share clear financial data with senior leaders and governing bodies. Being able to present financial information graphically often makes it easier for non-financial staff to quickly understand the data being shared.

FRS improves the quality, flexibility and speed of reporting for data held in SIMS FMS. Reports can be tailored to meet specific audience's needs with drag and drop columns, conditional formatting and graphical representation of information.

Dynamic links with FMS enable the current position (budget, actual, and commitments) in FMS to always be available and up-to-date in FRS.

#### **4.0 Consistent Financial Reporting**

Consistent Financial Reporting (CFR) is a framework of income and expenditure items and balances. One of the main aims of CFR is to allow schools to benchmark their results on external websites. By comparing spending patterns, schools have the tools to promote self-management and value for money.

FMS produces the five tables required by DfE for the CFR report:

- Income
- Expenditure
- Capital income
- Capital expenditure
- Balances.

Capita has included an additional 'Income and Expenditure' Report to supplement the main CFR Report. This report contains further data to assist local authorities and schools in producing the annual return and to provide information that is useful to refer to throughout the financial year.



## 5.0 User Access Rights

User accounts can be defined with a range of predefined permissions:

- No access
- Read only
- Enter only
- Authorise only
- Enter and authorise
- Supervisor
- Restricted.

Specific access and control can be given to a member of staff using supervisor-defined access rights. Additionally, the member of staff can also be given a restricted access to only the cost centres that they have responsibility for, using the restricted access functionality together with having reduced functionality.

## 6.0 SIMS Support and Documentation

### 6.1 SIMS Support Desk

The SIMS FMS User Support Team provides a professional support service for schools, academies and local authorities to help them get the most from the FMS system. Capita's online Web Support service, 'My Account', is available 24/7/365 and Service Desks are available throughout the standard school working hours.

The User Support Service is ISO 9001 and 27001 accredited and works to ITIL v3 standards. All of Capita's SIMS FMS Service Desk Managers and Team Leaders are trained in the ITIL framework, which ensures that Capita drives continuous improvement across our User Support Service.

#### 6.1.1 Service Availability

The Capita Service Desks operate Monday – Friday 08:00 – 17:30 (excluding public holidays and between Christmas and New Year). A voicemail service is available for calls made outside these core hours.

#### 6.1.2 Online Support

24/7/365 call logging is fully supported via email and internet, utilising Capita's online Support Service, My Account, which facilitates self-service, allowing customers to search a comprehensive database of over 6,000 known solutions 24/7/365. The solution search facilities are sophisticated.

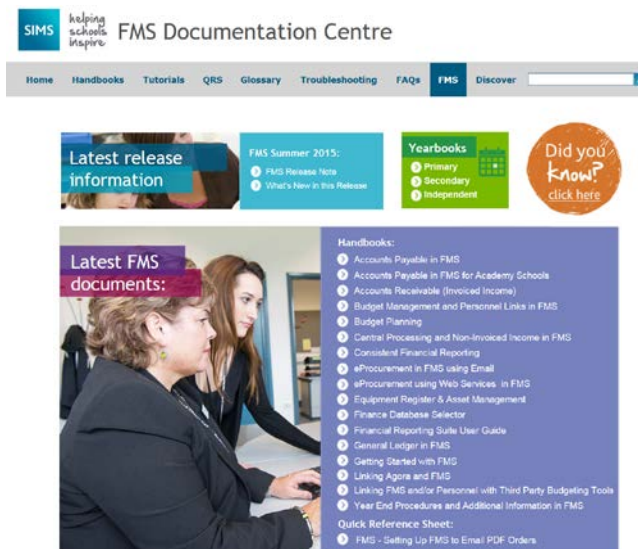
Capita's My Account website is available to all customers and contains a wealth of information.

## 7.0 FMS Documentation

SIMS FMS is supplied with a robust, comprehensive and informative range of documentation to support the technical Schools ICT Teams and provide simple and clear documentation for end users.

All documentation is available via the SIMS Documentation Centre (see right), which brings together all of the SIMS FMS handbooks, tutorials, quick reference sheets and other useful resources into a single website, accessible directly from the SIMS FMS software application.

Resources are organised in accordance with user roles including Finance and HR, and are fully searchable.



## 8.0 Hosted FMS Service

Capita can provide a Hosted FMS solution – a fully managed, hosted, Software as a Service (SaaS) solution, utilising Microsoft Windows Azure Platform delivered from the Microsoft West Europe Data Centre located in Ireland.

The Hosted SIMS solution is managed in compliance with the principles of ITIL best practice and maintained in accordance with the principles of continual service improvement.

## 9.0 Contact Details

Capita's Account Manager can be contacted with any queries regarding day-to-day elements of the Framework:

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07833 482956  
Thomas.sang@capita.co.uk

## 10.0 Summary

With schools continually growing in complexity, FMS provides a solution that makes things easier and helps to stretch relevant budgets. SIMS FMS provides a comprehensive overview of a school's finances to help ensure that resources are put to the best possible use and enables busy finance staff to complete day-to-day financial tasks quickly.

Our ICAEW accredited solution lets schools easily manage their budgets and meet reporting requirements for all stakeholders, while helping them effectively manage their key financial processes.