LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Budget Holder Guidance Notes

Closure of Accounts 2025/26

Introduction

These closure notes have been written to assist you in your role as Budget Holder to understand the accounts closure process and in particular the impact it has on you in terms of processes and deadlines.

Please ensure that ALL members of staff involved in the matters covered are familiar with the dates and deadlines listed.

It should be noted that Accountancy staff will be checking the validity of year-end adjustments in respect of debtors, creditors etc. Please liaise with your Service Accountant if you are unsure about any of the instructions given below.

Key Deadlines

DEADLINE	DESCRIPTION
18 March	Last date for creditor invoices for defrayal by 31 March
26 March	SWL and DWL purchase order invoices relating to 2025/26 to be processed in TOTAL by 2.00pm
2 April	Staff Time Allocations – Capital – March 01 quarter
2 April	Last date for authorising Purchase Card Transactions
2 April	Postage Recharges
7 April	Last date for entering and finalising Creditor invoices for processing into 2025/26
7 April	Last date for entering Debtors invoices chargeable to 2025/26
7 April	**All Authority Financials modules to close 5.00pm for year-end processing and will remain closed Wednesday 8th April**
7 April	Training and Travel Expenses submitted and authorised on MyView. Overtime claims to be sent to payroll@lancaster.gov.uk
9 April	**All Authority Financials modules reopen**
10 April	Capital Slippage Forms to be returned to Financial Services
10 April	Sundry Creditors Lists, Sundry Debtors Lists, Payments in Advance and Income Received in Advance forms to be returned Financial Services
10 April	Production of final Rechargeable Works analysis including related debtor and work in progress lists

Expenditure

Accounting Rules

Where goods and services were "RECEIVED" by 31 March the cost of those goods and services MUST be charged to the OLD financial year (2025/26).

Where goods and services were "RECEIVED" on or after 1 April the costs MUST be charged to the NEW financial year (2026/27).

This applies to both revenue and capital payments.

Sundry Creditors

The following section sets out the procedures for creditors relating to revenue and capital expenditure.

Creditors

Payments made via purchase 2 pay are generated in creditors with the due date given on the invoice. However, it is important to regularly review and finalise transactions in creditors so that all invoices due for payment are processed and paid.

This will ensure suppliers are paid on time but will also mean that we can efficiently complete the year end closedown and significantly reduce the amount of work required to produce an accruals list at year end.

After 7 April 2026, Authority Financials creditors will be in closedown:

Capital Invoices
Any capital invoices received that relate to the old year (2025/26) should be entered on the capital slippage forms that will be circulated to relevant responsible financial officers. Slippage forms must be completed and returned by **Friday 10 April 2026**

Revenue Invoices
Any revenue invoices received that relate to the old year (2025/26) can only be charged into that year by entering them on a Sundry Creditors Form.

After Sunday 6 April 2025, you should review any outstanding orders relating to 2025/26 for appropriateness and provide a ledger code for each outstanding order where goods and services **greater than £1,000** were ordered and received prior to 1 April 2026. Under no circumstances will items on the Sundry Creditors list for a lesser amount than this or composite amounts greater than £1,000 be charged to the old year.

This information should then be used to populate the Sundry Creditors Form and must be completed and returned by **Friday 10 April 2026**. It must include the creditor name, brief details of the supply, the relevant order number, expenditure code to charge the amount to and a value, **net** of Value Added Tax. If the amount is not known because the invoice has not yet been received, a tick should be entered in the column headed “E” to indicate that an estimate has been used. The end two columns are for Accountancy use and should be left blank.

Templates are available in the Accountancy Services pages of the Intranet.

Authority Financials Purchase Orders

Can all services be aware that purchase orders on the old structure must be closed and replacements raised. Please contact your Service Accountant if you require further assistance with this matter.

TASK/TOTAL Purchase Orders

All Stores SWL purchase orders and Direct DWL purchase orders relating to 2025/26 need to be processed in TOTAL, by **2pm on Thursday 26 March 2026**

Purchase Card Transactions

On entering Purchase Card transactions, the transaction date determines the year and period a transaction is recorded in the General Ledger. This should be the date the transaction took place (it is essential that transactions are entered immediately).

It is important that you log onto the Bank website and check your account routinely throughout March. Early detection of a transaction that is wrong will allow you the opportunity to remedy the issue within the transacting month and subsequently the statement will balance.

Please ensure you enter your Purchase Card transactions as they occur and attached the relevant evidence. Any transactions shown on the NatWest website on the **23 March** should be included in the bank tape, transactions made after this date may not appear on the bank tape for March.

The bank tape for March transactions will most probably be available on the **30 March**. This will allow purchase card transactions to be **compared and authorised by 2 April** to ensure those transactions are recorded in 2025/26.

(Please Note: Although an item may be purchased and the card details given on a particular day, the date it appears on the NatWest website and subsequent statements may be different to this due to the Merchants processing cycle and is out of our control).

It should be noted that any supplier paid historically by procurement card must not be set up as a creditor on Authority Financials in order to avoid these procedures.

Any purchases made before the end of March, over the £1,000 limit, can be added to the creditors list in the same way as creditor's invoices.

If you are on leave during the window for comparing transactions, ensure you have told your nominated person (another cardholder within your service) that they will have to compare your transactions. Additionally, an authoriser who plans to be absent should let Procurement know before the **16 March** in order to nominate an alternative to ensure that all transactions are compared and authorised before the deadline of the **2 April**.

Defrayed Expenditure to Qualify for Grant

In some circumstances, Government departments and agencies may still require expenditure to have been cleared at the bank by 31 March for goods and services received before 31 March.

If the failure to make such a payment by 31 March will result in a loss of grant, then in order to ensure that these invoices are cleared at the bank before 31 March, it will be necessary to

ensure that they are input to the accounts payable system and included as a BACS transmission by the 19 March payment run at the latest.
To achieve this all invoices must be completed and authorised by 5pm Wednesday 18th March.

Payments in Advance

A payment in advance occurs when revenue expenditure, wholly or partially attributable to the next financial year (2026/27) has of necessity been incurred in the current financial year (2026/27).

You are reminded that the criteria for deciding which year an invoice should be charged to is the date on which the goods or services were received. Under no circumstances should this be viewed as an opportunity to transfer overspends into the next financial year.

Templates for Payments in Advance lists are available in the Accountancy Services pages of the Intranet. These forms must be completed and returned to Finance by **Friday 10 April 2026**.

Income

Accounting Rules

Where goods and services were "SUPPLIED" to the Council's customers by 31 March the income MUST be accounted for in the OLD financial year (2025/26).

Where goods and services were "SUPPLIED" to the Council's customers on or after 1 April the income MUST be accounted for in the NEW financial year (2026/27).

Sundry Debtors

Invoices can be raised for either financial year, 2025/26 or 2026/27, by entering the appropriate date in the "GL Date" field on the invoice entry screen (either Fast Track or Standard). Please check that once the date has been entered, the appropriate year and period displayed in the field immediately below the date field is the one you expect it to be charged into. **NB If you have any problems when trying to enter the correct year i.e. it is not accepted, please contact finance system support.**

Entering a date prior or equal to **31 March 2026** will show the income in the old financial year (2025/26). A date of **1 April 2026** or later will show it in the new financial year (2026/27).

This facility will be available for **five days** until **5.00pm Sunday 5 April 2026**, at which time any invoices relating to the old year, not yet raised, must be entered onto a Sundry Debtors List.

For each debtor raised in the new year but relating to the old year, the appropriate details must be entered on the form i.e. debtor name, brief details, the Authority Financials invoice number, the classification of the debtor, the income code and an amount, net of Value Added Tax (where the amount owing is greater than £1,000). Under no circumstances will items on the Sundry Debtors list for a lesser amount than this or composite amounts greater than £1,000 be charged to the old year. These forms must be completed and returned to Finance **by Friday 10 April 2026**.

There may be instances where income is owing to the Council as at 31 March 2026, but an Authority Financials invoice has not/will not be issued, e.g. in respect of grant claims etc. Wherever possible, details of such outstanding income should also be included on the debtors form. If you feel this is not possible, for whatever reason, please discuss the matter with your Service Accountant.

Income in Advance

Income in Advance covers income received in 2025/26, which relates to services etc., which will be provided in the new year. Again, this facility should not be viewed as an opportunity to transfer additional income / underspends into the next year.

These will only be considered where the amount is greater than £1,000. Under no circumstances will items for a lesser amount than this or composite amounts greater than £1,000 be charged to the old year.

Any requests to roll forwards grant income into the new financial year must be supported by evidence such as a funding agreement or confirmation from the funding body that they give their approval to do this.

Templates for Sundry Debtors and Income in Advance lists are available in the Accountancy Services pages of the Intranet. These forms must be completed and returned to Finance **by Friday 10 April 2026**.

Stock Certificates

Stocks (inventories) of goods and materials which are chargeable to revenue, but which have not been used at the year-end should be carried forward so they can be charged in the year when they are used.

Stock certificates must be supported by itemised schedules showing individual prices per item at cost price exclusive of VAT. If in doubt about the basis of valuation, please consult the relevant Service Accountant.

Each Department must provide certificates signed by the relevant RSO for stock held at 31 March 2026 together with the appropriate back up information**.**

A standard stock certificate is available in the Accountancy Services pages of the intranet.

The following stocks should be included:-

STOCK	SERVICE AREA
Platform Bars	Environment & Place
Printroom Café	Environment & Place
Salt Ayre	Environment & Place (Leisure)
Williamson Park	Environment & Place
Civic Gifts	Governance
Taxi Plates	Governance (Licensing)
Wines and Spirits	Governance
Lifeline	Housing & Property (HRA)
Radar Keys	Housing & Property
RMS Van Stocks	Housing & Property (RMS)
Museums	Sustainable Growth

All stock takes MUST take place between 31 March and 1 April 2026.
All stock certificates together with the detailed stock lists and calculations where relevant must be returned to Financial Services by **2 April 2026**.

Training and Travel Expenses, Overtime Claims

As part of the year end processing, it is imperative that training and travel expenses together with overtime claims relating to the Financial Year 2025/26 are charged into that year.

It is therefore crucial that **all claims** relating to the 2025/26 financial year are sent to payroll@lancaster.gov.uk by the payroll deadline, which is **7 April 2026**.

Travel and subsistence claims submitted via the MyView Dashboard (Employee Gateway) must be approved by **7 April 2026**.

Any claims received after this date will be paid in May and will be charged to your 2026/27 budget.

Financial Services
List of Contacts

SERVICE AREA	CONTACT	TELEPHONE NUMBER
Environment & Place – all except: AONB, Hospitality & Events Management Food Safety, Pest Control & Salt Ayre Leisure Centre	Andrew Kipling Diane Pyburn Mal Hetherington	2143 2305 2126
Governance	Danielle Harrison	2398
Housing & Property (inc. HRA) Customer Services and Facilities	Rebecca Lord Mal Hetherington	2270 2126
People & Policy	Mal Hetherington	2126
Planning & Climate Change	Diane Pyburn	2305
Resources	Sakub Hussain-Waite	2434
Sustainable Growth	Diane Pyburn	2305
ACCOUNTANCY		
Chief Resources & S151 Officer	Paul Thompson	2603
Accountancy Manager	Andrew Kipling	2143
Principal Accountant (Capital)	Shona Lee	2012
Principal Accountant (Housing)	Rebecca Lord	2270
Accountant	Danielle Harrison	2398
Accountant	Lucie Peters	2119
Accountant	Sakub Hussain-Waite	2434
Accountant	Mal Hetherington	2126
Accountant	Diane Pyburn	2305
Trainee Accountant	Liz Howarth	2279
Trainee Accountant	Bence Vakter	2139
Trainee Accountant	Harrison Dart	2085
FINANCE SYSTEMS SUPPORT		
financesystemsupport@lancaster.gov.uk		
EXCHEQUER SERVICES		
Exchequer Services Manager	Ellie Barnes	2128
creditors@lancaster.gov.uk	Tel: 2130	
debtors@lancaster.gov.uk	Tel: 2137	
cashiers@lancaster.gov.uk	Tel: 2263	
PAYROLL		
payroll@lancaster.gov.uk	Tel: 2128	
PROCUREMENT		
procurement@lancaster.gov.uk	Tel: 2570	

Glossary of Terms

Accruals Basis
Accounting for income and expenditure during the financial year in which they are earned or incurred, not when money is received or paid.

Capital Expenditure
Expenditure on the acquisition or creation of a tangible asset or expenditure which adds to and not merely maintains the value of an existing tangible fixed asset.

Capital Slippage
A delay in the progress of a capital scheme resulting in expenditure moving (slipping) to future periods.

Creditor
Creditor is a person, company, or other entity that has delivered a product, service or loan, and is owed money by the Council.

Debtor
A debtor is a person, company, or other entity that has received a product or service and owes the Council money.

Income in Advance
Income received in the old year (2025/26), which relates to services etc., which will be provided in the new year (2026/27)

Payment in Advance
When revenue expenditure, wholly or partially attributable to the next financial year (2026/27) has of necessity been incurred in the current financial year (2025/26).