

# Cambridgeshire Education ICT Service Creating New Structure within FMS6 February, 2009



transforming learning  
CAMBRIDGESHIRE EDUCATION  
**ICT**  
service

# THE STRUCTURE OF FMS6

The structure of any financial system has to meet a variety of needs and requirements. Obviously it must be able to record expenditure and income accurately but it must also be able to report these to a variety of bodies and in a variety of ways. When creating any structure it is necessary to start with what output would be expected from it.

Cambridgeshire systems are expected to meet the needs of Budget Managers, Governors, the County (Period Returns) and the Government (CFR Report). FMS6 is extremely flexible and has managed, to date, to meet all of these needs. This is mainly due to the existence of three separate elements to which different roles are given but which are interlinked to provide the complexity needed.

## FUNDS

These are the upper layer of analysis of FMS6. They are usually used to represent substantial sources of grants that need to be accounted for as a discrete value. Usually the grant will be spent on a variety of items such as staffing, premises and admin costs, or the grant is ring fenced for a specific purpose or period of time.

They should be regarded as the blunt instrument of management analysis showing simply how much of a grant remains or has been spent but giving no clear statement of what on.

Fund codes belong to the County and **must not** be setup without their consent.

## COST CENTRES

These are the second layer of analysis. They usually represent areas of spending or income such as Staff Cost or Premises. They may also be used for monitoring allocations to designated budget holders such as Heads of Departments or Teachers. Alternatively they can be used to monitor specific grants of money where there may only be a single type of expenditure such as Trips or Events.

These provide a more detailed analysis of how any budget is being spent without going into too much detail and usually meet the needs of Governors and Budget Holders.

The base data set contains the conventional County Cost Centres for Employees, Other Staff Costs, Premises, Learning resources, Support Services, Admin Funding and Income. In addition there are sample Cost Centres for Trips, Events and Capital. These are areas together with Learning Resources that each school will develop according to individual need.

### **LEDGER CODES**

These are the basic layer of analysis and represent the myriad ways budget can be spent or the types of income received.

They allow the monitoring and management of budget at its most detailed level and are either income or expenditure. Expenditure is further separated into Salary and Non-Salary for the purposes of VAT. Salary payments do not incur VAT.

The base data set comprises the full suite of the active County Ledger Codes as contained in the published code list. Effectively the Ledger Codes **belong to the County** and are the key to the County and Government Reports. Schools **must not** create new ledger codes without consulting with the Schools Corporate Team in the first instance. Ledger Codes **must not be renamed** with out consulting the Schools Corporate Team and ICT Services for advice and assistance.

### **HOW THEY FIT TOGETHER**

Nothing will take place until all three elements are linked together. Every transaction recorded has to be set against a Fund, a Cost Centre and a Ledger Code. Equally Budget is allocated to the link between Ledger Code, Cost Centre and Fund.

## Creating New Structure

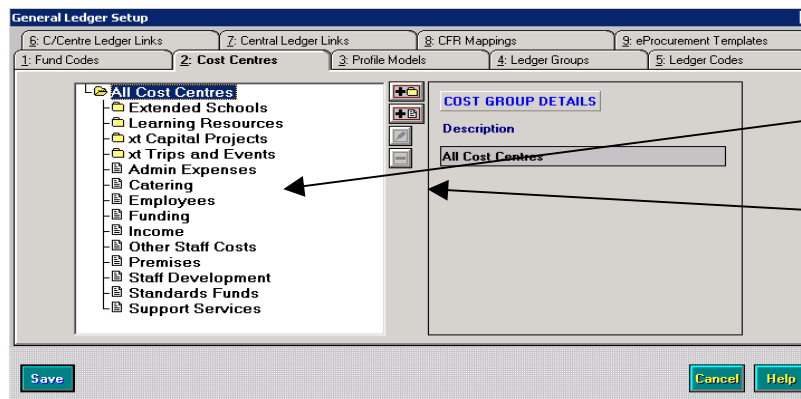
At this point in the financial year you should be looking at your structure within FMS6.

You may have identified areas where you would like greater control. One of the areas where this is most common is General Curriculum. If you need greater control over the spending and reporting, then creating separate Curriculum Cost Centres could be the better option for you.

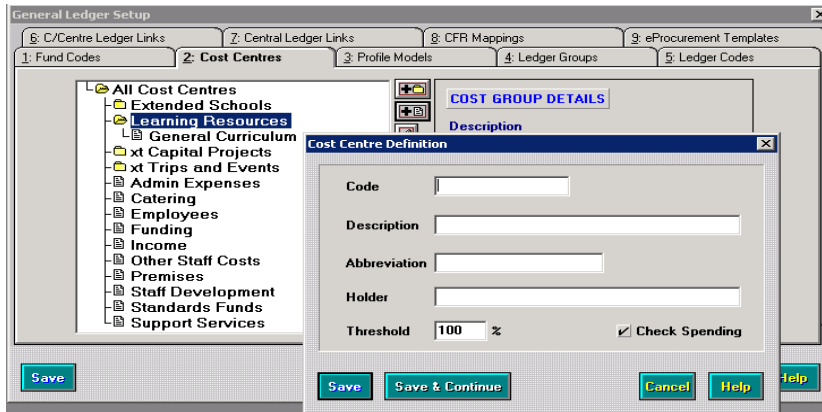
**You are strongly advised to discuss this option with your School Financial Advisor prior to undertaking any setup.**

### To Create New Cost Centres

Select: Tools | General Ledger Setup | Tab 5 Ledger Codes



**Double Click on Learning Resources**  
Then click on to the second + button



**Code:** - Use the relevant CFR Heading Learning Resources is **E19** Then the first three digits of the Ledger Code **21736000**

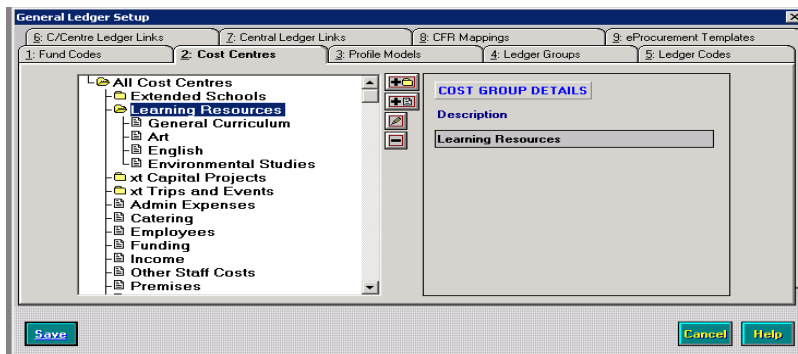
**Description:** - Art

**Abbreviation:** - Art

**Holder:** - You can put the name of the budget holder here but not necessary

**Threshold:** - 100%

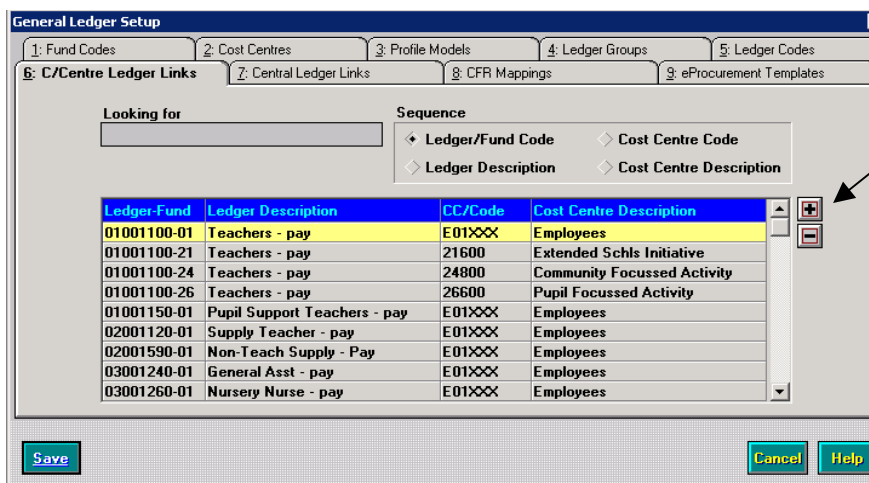
**Save**  
**Save**



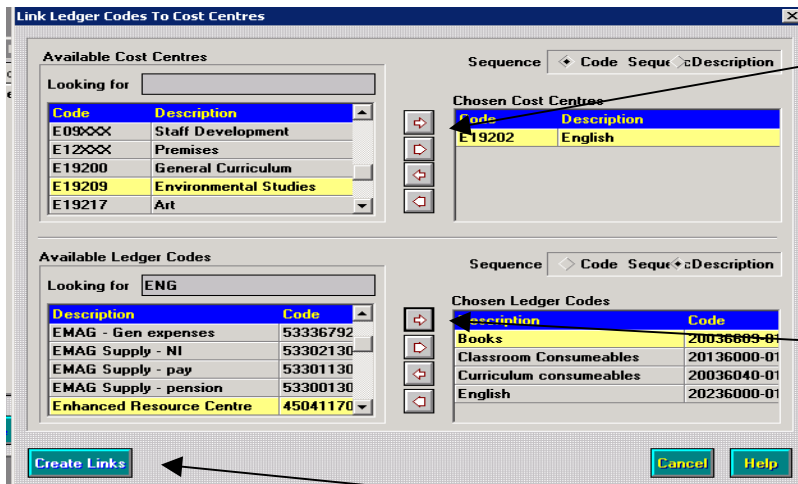
The same principal should be adopted for adding any new Cost Centre. If unsure contact the ICT Service Helpline for further advice.

Once the new Cost Centres have been created you need to attach all the relevant ledger codes.

Select: **Tools | General Ledger Set Up | Tab 6 Cost Centre Ledger Links**



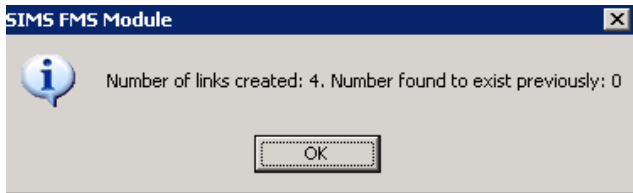
Click on the + Button



Select the new **Cost Centre** and using the **TOP** thin Arrow moves it from the left to the right.  
**DO NOT TAKE EVERY COST CENTRE OVER**

In the bottom area click on the pale yellow line and it will change to bright yellow.  
 Select all the ledger codes you want to link to the new Cost Centre.  
 Use the TOP thin arrow,  
**DO NOT TAKE EVERY LEDGER CODE OVER**

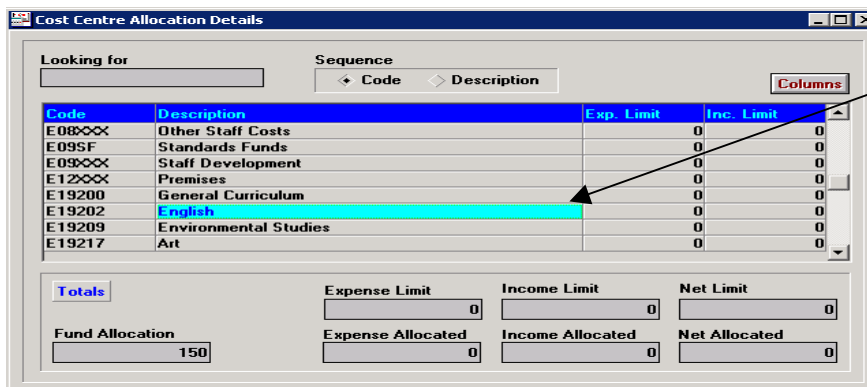
Click on **Create Links**



The following message will appear  
 Click on **OK**

You will now be able to allocate Budget to these newly created Cost Centres

Select: **Focus| Budget Management | Cost Centre Allocation (Middle Bag Man)**



Select the Cost Centre and Double Click

Ledger Code	Description	Profile Model	Expense	Income
20036040-01	Curriculum consumables	Curriculum Gen	0	0
20036609-01	Books	Manual Entry	0	0
20136000-01	Classroom Consumables	Curriculum Gen	0	0
20236000-01	English	Curriculum Gen	0	0

Double Click onto the line for Budget to be allocated


Period	Budget
Apr	70
May	50
Jun	30
Jul	25
Aug	5
Sep	60
Oct	60
Nov	50
Dec	50
Jan	40
Feb	40
Mar	20

**Profile:** Check you select the correct and relevant Profile

**Budget to Allocate:** Type in the correct amount

**Narrative:** You can put IA for the Initial Allocation or any thing that is relevant  
Highlight  
Right Click and Copy

Ledger Code	Description	Profile Model	Expense	Income
20036040-01	Curriculum consumables	Curriculum Gen	500	0
20036609-01	Books	Manual Entry	0	0
20136000-01	Classroom Consumables	Curriculum Gen	0	0
20236000-01	English	Curriculum Gen	0	0

Once you have allocated all the money to the new Cost Centre Click on the Blue tick  at the top of the screen

The Audit Trail box will appear

Right Click and Paste in the narrative you copied earlier.

Save

## Creating New Ledger Codes

The base data set comprises the full suite of the active County Ledger Codes as contained in the published code list. Effectively the Ledger Codes **belong to the County** and are the key to the County and Government Reports. Schools **must not** create new ledger codes without consulting with the Schools Corporate Team in the first instance. Ledger Codes **must not be renamed** with out consulting the Schools Corporate Team and ICT Services for advice and assistance.

## Creating a New Fund

Fund Codes **belong to the County** and should **not** be set up without contacting the School Corporate team in the first instance. Once written permission is given ICT Service can provide advice and assistance.