2007/08 End of Year Data & Reconciliation

Discretionary Support Policy Team
Guidance Notes

For the attention of Providers, Area Teams and Regional Teams

The monitoring forms for Discretionary Support for the 2007/08 academic year are attached, please would Area Teams ensure that their providers receive a copy of the relevant form and guidance.

The monitoring return for 2007/08 will require providers to record the additional ESOL support separately, including data on both applications and awards.

This year the Policy Team would like copies of all the monitoring forms for analysis. Therefore, please would the Area Teams forward electronic (or scanned) copies of their Area Return, plus all the individual Provider Returns to Kathy.Baird@lsc.gov.uk. Please would the Regional Teams also send their Regional Return to Kathy.

**Deadlines**

Providers submit monitoring data to Area Office 26 September 2008
Area Office submits monitoring data to Regional Office 27 October 2008
Area Office sends copies of the Area Return, plus the individual Provider Returns to National Office Policy Team 10 November 2008
Regional Office submits monitoring data to National Office Policy Team 10 November 2008

**Extensions to Deadline**

If a provider is unable to submit their monitoring return by the deadline of 26 September 2008, if they are running summer courses for example, they will need to negotiate an extension with the Area Office. Any extension to the deadline needs to be within a reasonable timescale and must take into account the additional time the Area Office will need to check and collate the data. Any extension agreed between a provider and Area Office must not encroach upon the Area Office ability to submit the data to Regional Office by 27 October 2008.

**Returned monitoring forms**

It is the full responsibility of the Area Office to gather, collate, and if necessary, assist in the correction of the monitoring data submitted to them by providers. It is also the responsibility of the Area Office to ensure that this is done within the designated timescales. When the monitoring forms are returned to the Area Office there are a number of things that need to be checked. They are:
• ‘Funds Received’ declared by providers do not match those accepted on the learner support schedule
The allocations declared must match those given to the provider at the start of the academic year exactly. Not only do these forms constitute part of the audit trail but also incorrect allocation details will cause an incorrect display in the ‘Balance of Funds’. This in turn may affect any recovery of funding made by Regional Office.

Area Offices can verify the allocations declared by providers against the appropriate contracts and schedules signed by the provider for the 2007/08 academic year.

• LA School Sixth Forms and LA External Institutions have returned a separate monitoring form
LA School Sixth Forms and External Institutions (EI) under Local Authority control who have been awarded separate allocations and who have been paid separately during the academic year must return individual monitoring forms.

• Records not completed as signed, dated and checked
Monitoring forms must not be accepted if they are not signed and dated. Electronic forms should have an electronic signature displayed in the appropriate field. Where an electronic signature is unavailable a signed hard copy of the form should be sent to the Area Office in addition to the electronic form.

Providers should not submit a signed form if they disagree with the final balance shown. Where this occurs providers should seek advice from Area Office colleagues.

• Submitted data is incomplete
Where an allocation has been accepted we expect to receive information for number of awards and expenditure. It is the responsibility of the Area Office to identify gaps in the data and request it from providers. If information is unavailable the provider must indicate why this is the case.

• 5% Administration
The 5% limit for administration costs cannot be exceeded. Where movements of money have taken place and providers have either given up or received additional funding providers can claim up to 5% of their total allocation.

• ESOL
The number of applications, awards and the value of these are to be recorded (paragraph 10.1 of the 2007/08 guidance refers.)

10.1 Providers must have administrative procedures that:

• record the details of learner applications for financial assistance through dLSF. (For ESOL funds the details must include financial value of applications as well as awards.);
• account for the dLSF distributed;
• identify unspent funds at the end of the academic year.

Collated Returns submitted to Regional/National Office
Once all the monitoring returns have been received for your Area Office you need to collate these and include all data on a single return to be sent to the Regional Office. Please also send an electronic (or scanned) copy of the Area Return, plus all the individual Provider Returns to Kathy.Baird@lsc.gov.uk (if electronic copies are not available, please send hard copies to the address below).

Regional colleagues should then collate area returns and include all data on a single return to be sent to Kathy.Baird@lsc.gov.uk (if electronic copies are not available, please send a hard copy to the address below).
The Discretionary Support Team, Learning and Skills Council, Learner Support Directorate, 3rd Floor, The Straddle, Victoria Quays, Wharf Street, Sheffield S2 5SY

The other return Area Offices are required to make is a simple list of providers with the corresponding over or under spend and the current payment codes (see attached example):

- Q2 FE colleges
- Q3 Specialist Designated Colleges
- Q4 Higher Education Institutions
- Q6 External Institutions (LA adult ed etc)
- O6 LA School Sixth Forms

This return should be sent to your Regional Office. Regional colleagues will be responsible for clawing back funds from under-spending providers.

**Reconciliation**

Following the submission of data and the recovery of under spent funds from providers, any available funding will be redistributed by Regional Directors who will make the decision on how the reimbursements are dispersed locally.

**Reconciliation for merged institutions**

Where an institution has merged during the course of the academic year the manner of their reconciliation will vary dependant upon a number of factors:

- How many institutions have merged
- If they have continued to receive separate payments for each institution

If this is an issue for you please contact National Office to discuss the needs of each individual situation.

**Providers who under spend against their allocation**

As is clearly stated in the Discretionary Learner Support Funds (dLSF) Funding Guidance for 2007/08 the LSC should recover any unspent funding following the submission of monitoring data. A provider cannot carry unused funds forward to the next academic year.

**Common Reconciliation Errors**

Please also refer to the common monitoring errors detailed in the previous section as mistakes in data affect the reconciliation and in particular payments.

**Under spent funding is returned to the LSC by cheque**

All unspent funding will be recovered via BACs in the same way as the payments were made. All providers should be aware of the situation. If a cheque is submitted it should be returned to the provider with an explanation that the funding will be recovered via the correct route.

**Under spent funding is returned to the LSC by cheque and the cheque is processed**

If a cheque has been received for unspent funding and it has by error been processed it is the responsibility of the Area Office to ensure that the cheque has been correctly assigned by finance as Learner Support. It is also the responsibility of the local office to make the Regional Office contact aware of the situation. This will prevent the under spent funding being recovered twice.

**Providers assume that unspent funds will be recovered from the next academic year’s allocation**

Each academic year is treated independently from the next. We will recover under spent funds as soon as possible and the swift receipt of monitoring returns from all providers will assist us to do this.
Information is not passed onto colleges that we are undertaking this exercise

Information regarding the reconciliation process is included in the 2007/08 funding guidance but when payment or recovery of funds finally happens we receive a lot of queries asking us about what this is. Please ensure that the providers in your area have the information to hand.

Errors and omissions in data are not discovered until after recovery or reimbursement has been made

Any errors and omissions in data impact upon the transactions we make against providers. It is the responsibility of the Area Office to check the data and to ensure that it is correct. Once the Area Office return has been submitted to Regional Office and, in turn, the Regional Office has submitted the return to the National Office, no further changes can be made.

Reconciliation Payments

Instructions for the claw back of funds relating to the academic year 2007/08 will be managed at LSC Regional Office. This recovery of funds will appear on remittance advice notes as Learner Support Recycling (sub-nominal code 2206032). Please make your providers aware of this and that they share the information with their finance department. This sharing of information should help to ease the flow of the many questions that appear at this time.

Questions

Q. Are colleges and LA’s expected to produce any extra learner data above and beyond what is asked for on this form?

A. The form these notes relate to requests expenditure and award data only. All data relating to learners is collected by the ILR which providers are required to complete under separate arrangements.

Q. Will there be the opportunity for the Area or Regional Office to recycle funds?

A. Yes, regional directors will be responsible for clawing back under spent funds and recycling these funds.

Q. Other – can you explain ‘do not use for bursaries’ or give an example of what it might be used for?

A. There is a specific category for the 51 Residential Bursary Colleges to record how their bursary funding has been spent. ‘Other’ is an exceptional category of support and although it can be used for anything that does not fit into the other categories on the form, we are not that aware of what is claimed. For example, in one instance a number of school uniforms were purchased for severely deprived 16-18 year old students, as there was a uniform policy at the school they attended.

If there are any further questions regarding the monitoring data, or which arise from this document, please do not hesitate to contact the Discretionary Support Policy Team.