

Example UIFSM - Calculating the Appropriate Year End Adjustment for the Financial Year 2016/17

Note - Bear in mind that UIFSM is calculated for an Academic Year , September to August. The funding therefore spans 2 financial years so the funding figure calculated for the Academic year needs to be split 7/12 and 5/12 so it is apportioned appropriately in the correct Financial years

Terminology -

UIFSM - provides funding for a meal for ANY child that is in KS1

FSM relates to children that would be eligible for a meal regardless of whether UIFSM funding was provided

STEP 1 - check the Advance to establish Funding paid over in July 2016

In our example

Funding Recd in July 16 Advance (comprises 2 payments) -

£21,213	1	see note below
<u>29698</u>	2	see note below
Total I18 funding in July 16 Advance	<u>£50,911</u>	

STEP 2 - consider what this funding represents

1 This represents the funding due for the period April 16 - August 16. It's based on the Census figures for October 15 and Jan 16. **You don't need to consider this when calculating the year end adjustment for financial yr 16/17**

2 This represents the funding given to cover the period september 16 to March 17. **This is what must be considered when calculating the year end adjustment.**

This was an **estimate** of what the DFE thought the school would be entitled to. This payment received in July 16 is based on historical uptake. They then subsequently adjust it to reflect the headcounts taken from the October 16 and January 17 census. The problem with this is the adjustment won't happen until July 17 so a creditor or debtor may need to be set up to reflect the true level of funding that should have been received for the period Sept to March 17.

In this example the DFE paid £29698 as their estimate of what 7/12s funding should be. A full academic years funding would therefore be £50911.

As the funding per child is £437 per annum then we know the DFE based their estimate on 116.5 children .

It is therefore necessary to look at the 2 census and decide if 116.5 children were eligible **or** if the DFE's original estimate was materially incorrect.

STEP 3 - refer to the Census information and calculate any year end adjustment required

The DFE take the average* of 2 headcounts- October and January.

They consider the number of KS1 children that sat down for the meal and deduct the number of FSM children that ACTUALLY TOOK A MEAL that day.

The school needs to identify how many FSM children *actually* took a meal as the census information only identifies the total number of FSM children in the KS1 group.

By deducting ALL the FSM children this would look at the worst case scenario ie the lowest funding level the school would get.

***For Reception children only.** IF the census information has a higher number of reception children taking a meal in January alone rather than the average of October and January, then the DFE calculates the funding based on the January number

extract of October 16 Census -

Table x

NC year Group	no. of pupils on roll	lunches taken	current fsm eligible	
reception	45	34	7	27
year 1	55	48	7	41
year2	44	41	3	38

extract of January 17 Census -

Table x

NC year Group	pupils on roll	lunches taken	current fsm eligible	
reception	45	35	6	29
year 1	56	46	8	38
year2	46	45	2	43

note - DFE will take the January figure if higher (for reception children only) rather than the average for that year group

A **If** in this example we assume that **every** FSM eligible child took a meal on the census days then the funding due would be based on 109 pupils (80 being average of yr1 and 2 plus 29 reception)

B To calculate the correct funding the school should have received for the Sept16-March 17 period -

109 x 437 = 47633x 7/12 = 27786

C Check what was actually received
(2 above) - 29698
In this example, should have recd less
(as per B above) 27786
year end adjustment required **£1,912**
(in this example it would be a yearend income prepayment)

If the school hadn't received enough funding from the estimate made then the year end adjustment will need to be set up as a year end debtor.