

## **2017-18 Year-end guidance**

It is your responsibility to remain within your budgets and to allocate your claims to the correct financial year. If you do not correctly allocate the claims, you may be at risk of overspending your budgets in one of the financial years. You can ensure that claims are correctly allocated by using the year-end form [www.theipsa.org.uk/ipsa-for-mps/guidance](http://www.theipsa.org.uk/ipsa-for-mps/guidance). The sections below explain how and when to use this form.

### **1. Timetable and allocating costs to budgets**

Costs for goods must be allocated to the financial year in which they are received. Costs for services must be allocated to the financial year in which they are utilised. To ensure costs are allocated correctly at the end of the financial year, you must submit claims for 2017-18 within the deadlines set out below. If submitted afterwards, costs will be allocated against your 2018-19 budgets. You cannot use your 2018-19 budget to prevent overspends in your 2017-18 budget.

Please remember:

- You have 90 days in which to submit a claim, although please note that for costs to be allocated against your 2017-18 budget, you must meet the deadlines set out below.
- Any claims submitted after the 90-day period will not be paid.
- You have two weeks to resubmit claims if we return them to you asking for additional information. These costs will still be allocated against your 2017-18 budget.

	<b>2017-18</b>
Deadline dates for reimbursement claims for costs incurred up to and including 31 March:	
• online submission	Close of play 16 April 2018
• hardcopy evidence	29 April 2018
Year-end Form (accruals and prepayments)	Close of play 16 April 2018
Payroll	Close of play 16 April 2018

***All eligible claims submitted after these deadlines, and within the 90-day period, will still be paid but will be allocated against your 2018-19 budgets.***

### **2. Costs not yet incurred for goods and services received during 2017-18 (accruals):**

If you haven't received an invoice for any goods or services used during the financial year 2017-18 and you are therefore unable to submit a claim and hardcopy evidence, you must notify IPSA using the year-end form, which must be received by IPSA by close of play 16 April 2018. The form (including instructions) is available at [www.theipsa.org.uk/ipsa-for-mps/guidance](http://www.theipsa.org.uk/ipsa-for-mps/guidance).

### **3. Costs incurred during 2017-18 for goods and services to be used in 2018-19 (Prepayments):**

If, on or before 31 March, you incur a cost for services, contracts, or subscriptions (including **council tax** and **business rates**) that relate entirely to a period beginning on or after 1 April 2018 and which you claim through reimbursement, please put the transaction date as 1 April 2018. This is also applicable for goods to be received after 1 April 2018. This is to ensure that the claim will

automatically be charged to the new financial year. In March we will enable the system to receive claims in advance to allow for this.

#### 4. Costs incurred for services that are used across both financial years:

If you are claiming for services that span both financial years, you should apportion the costs across the financial years. You should make a reasonable assessment of how to allocate the amount (for example, based on the number of days that fall within each financial year or the number of journeys), splitting the claim accordingly. An example below is for annual council tax:

*Example:*

If you claim an annual council tax that covers the period 25 March 2018 to 24 February 2019, you should allocate 7 days of this rental period to 2017-18 and 358 days to 2018-19.

$$(7/365) \times \text{£}1,000 = \underline{\text{£}19.18} \text{ to 2017-18 (25 March to 31 March)}$$
$$(358/365) \times \text{£}1,000 = \underline{\text{£}980.82} \text{ to 2018-19 (1 April to 24 April)}$$

Please note, for **direct rental payments to landlords**, IPSA will calculate the apportionment of costs across financial years on your behalf, and deduct the costs from the appropriate financial year. When rental payments are claimed by reimbursement, the calculation of the prepayment amount should be based on your annual rent:

*Example:*

If you claim on 10 April your monthly rental payment of £500 that covers the period 25 March to 24 April, you should allocate 7 days of this rental period to 2017/18 and 24 days to 2018/19.

$$7/365 \times (\text{£}500 \times 12) = \underline{\text{£}115.07} \text{ to 2017/18 (25 March to 31 March)}$$
$$24/365 \times (\text{£}500 \times 12) = \underline{\text{£}394.52} \text{ to 2018/19 (1 April to 24 April)}$$

**Important:** If you submit claims before year-end which relate wholly or partly to the next financial year, and you have not followed the above advice to ensure it is deducted from the correct financial year, you will need to use the year-end form to ensure that your claims are correctly apportioned across the financial years. If you don't use the form, your claim may be wrongly allocated and this may affect your budget. **A review of all claims will be performed to ensure that they are valid and being allocated against the correct financial year. Claims must not be transferred to prevent 2017-18 budget overspends.**

#### 5. Direct payments

- Rental payments to landlords:

IPSA will calculate the apportionment of costs across financial years on your behalf, and allocate the costs to the appropriate financial year.

- Payment card

All transaction dates prior to and including 31 March 2018 will be allocated against 2017-18 budgets. It can take Barclaycard up to two days to charge a cost to your payment card, and purchases made on 31 March may therefore appear on your statement with a transaction date after 1 April. These costs will be charged to 2018-19. Online submissions to reconcile

your March payment card must be made by 1 May 2018. If you pay council tax or business rates on your Barclaycard during March 2018 which relate to the financial year 2018/19, you will need to complete the year-end form to allocate this to your 2018/19 budget, otherwise this will be allocated to your 2017/18 budget.

- Stationery direct payments

If you have used Banner, XMA, or Commercial for your stationery or office supplies, we will allocate the cost to the financial year in which you made the order.

- Travel direct payments:

If you have used Chambers or the Trainline for your travel, we will allocate the cost to the year that the journey is taken.

If payment card and other direct payment transactions (not including direct payments to landlords, see above) have dates on or before 31 March 2018, and which relate to goods or services received wholly or partly in the financial year 2018-19, **please complete the year-end form**. This will ensure that costs are transferred or apportioned to the appropriate financial year. Similarly, complete this form for transactions with dates after 31 March 2018 which relate to goods, or services used wholly or partly before 31 March 2018.

## 6. Payroll

We will automatically allocate any timesheets and/or pay arrears paid in April which relate to the 2017-18 financial year against your 2017-18 staffing budget.

However the year-end form must be completed and received by IPSA by close of play 16 April 2018 for the following:

- Reward and Recognition payments to staff members that are to be paid in April, May, or June salaries 2018, but which you want to allocate against your 2017-18 staffing budget.
- Timesheets which are not submitted and authorised by close of play 16 April 2018, that are to be paid in May or June salaries, but which you want to allocate to your 2017-18 staffing budget.
- Any late pay arrears, that are to be paid in May or June salaries, but which you want to allocate against your 2017-18 staffing budget (for example, a March new-starter staff member not paid at all until May, where you want the proportion of salary paid for March 2018 to come from 2017-18 budget).

**Important:** The year-end form will not in itself ensure that staff members are paid. You must also submit the usual forms (for example, reward and recognition form, timesheets, and/or any new starter documentation) **by June 2018 payroll cut-off date** to ensure that staff are paid correctly. If you do submit the year-end form for payroll costs, but do not send other payroll forms for payment **by June 2018 payroll cut-off date** the cost-move to 2017-18 will not take place and the cost will come from the 2018-19 staffing budget. Please ensure you check that you have sufficient budget left in your staffing budget for the full total cost before sending the year-end form to us.

Whilst we are able to move staff costs to the appropriate financial year, this will not be reflected on your staffing budget report, and moved costs will still be shown against your 2018-19 staffing budget. However, you will be able to view these moved costs within your summary of expenditure.

All staff salary costs paid from July 2018 onwards will be allocated against 2018-19 staffing budget. MPs and staff will receive P60s by the end of May 2018, sent by post to the address to which IPSA sends your payslip. You will receive a P11D for your taxable annual expenditure in July by email; these are just for information and no action is required by you. Where necessary, we will also send P11Ds to your staff.

## **7. Instances to use the year-end form**

As a summary of the above, the year-end form should be used in the following circumstances:

### *Accruals year-end form*

- Where you have received a good or utilised a service before 31 March 2018 (i.e. relates to financial year 2017-18) but you are unable to submit a claim before close of play 16 April 2018.
- If payment card and other direct payment transactions (not including direct payments to landlords, see above) have dates on or before 31 March 2018, and which relate to goods or services received wholly or partly in the financial year 2018-19.
- Reward and Recognition payments to staff members that are to be paid in April, May, or June salaries 2018, but which you want to allocate against your 2017-18 staffing budget.
- Timesheets which are not submitted and authorised by close of play 16 April 2018, that are to be paid in May or June salaries, but which you want to allocate to your 2017-18 staffing budget.
- Any late pay arrears, that are to be paid in May or June salaries, but which you want to allocate against your 2017-18 staffing budget (for example, a March new-starter staff member not paid at all until May, where you want the proportion of salary relating to March 2018 to come from 2017-18 budget).

### *Prepayments year-end form*

- If payment card and other direct payment transactions have dates before 31 March 2018, which relate to goods which will be received, or services utilised wholly or partly after 1 April 2018.
- You have submitted a claim before year-end that is a good to be received or service to be utilised (either fully or in part) after 1 April 2018 (i.e. relates to financial year 2018-19), for example council tax.

## **8. Repayments to IPSA**

We regularly provide you with a snapshot of your budgetary position throughout the year and any repayments that are due.

Repayments outstanding at 31 March 2018 **will not be written off**. These balances will continue to be recovered in accordance with our debt and monies owed policy. You should be aware that monies owed to IPSA are subject to release if requested under the Freedom of Information Act 2000.

We aim to provide you with a final 2017-18 budgetary position by the end of July 2018. You should continue to actively monitor your spending in the run-up to the end of the year, taking into account payment card use and direct payments. Any overspends that arise will be repayable.

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The year-end form can be completed by either the MP or their nominated proxy and should be submitted to [info@theipsa.org.uk](mailto:info@theipsa.org.uk) or **IPSA: Finance Department, IPSA, 4th Floor 30 Millbank, London, SW1P 4DU**. All completed year-end forms must be **received by close of play on Monday 16 April 2018**. Anything received after this deadline cannot be considered.

Should you have any queries please contact your Account Manager or the Payroll Team as appropriate on 020 7811 6400.