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Education & Skills  
Funding Agency

Guidance

# Common issues with the integrated financial model for colleges (IFMC)

Updated 11 February 2020

## Contents

- [1. Unlocked version of the IFMC](#)
- [2. Completed example of the IFMC template](#)
- [3. How to handle mergers](#)
- [4. Enhanced pensions](#)
- [5. Additional lines](#)
- [6. Further releases of the IMFC](#)
- [7. Deadline for submitting the IFMC](#)
- [8. Why we have introduced the IMFC](#)
- [9. How we've consulted with colleges](#)

We have put together some of the common questions colleges are asking when completing the integrated financial model for colleges (IFMC).

## 1. Unlocked version of the IFMC

We have hesitated on providing an unprotected version of the model due to past issues with ESFA financial models being corrupted or altered before submission. However, after listening to college feedback, we will be releasing an unprotected version of the IFMC for internal college use only.

Any submissions made using the unprotected template will be rejected during the data extraction process as this prevents us from being able to automatically consolidate data. We plan to release the unprotected version of the IFMC along

10. Support for colleges completing the IFMC
11. How long it will take to complete the IFMC
12. Future changes to the IFMC
13. Colleges don't have the required detail on their income and expenditure to complete the cash flow (CF Inputs) tab
14. 'Other income' lines

with the final update of the model on Thursday 6 February.

We'll publish this on the [college financial planning handbook page on GOV.UK](#), alongside the updated IFMC.

## 2. Completed example of the IFMC template

We have listened to college feedback and plan to release an example of a completed IFMC. This will be released with the next update of the model planned for the 6th of February.

We'll publish this on the [college financial planning handbook page on GOV.UK](#), alongside the updated IFMC.

## 3. How to handle mergers

We are planning to provide guidance on how to handle mergers by 31 January.

We will contact colleges who have raised this issue with us at [financial.model@education.gov.uk](mailto:financial.model@education.gov.uk) with guidance by the 31 January.

If any colleges have been through or are planning a merger, then please contact us via the email address above if you have not already done so.

## 4. Enhanced pensions

One common query is how to input enhanced pensions into the model. This is where someone retires early, but are aged 55+ so they get an enhanced pension at an extra cost to the college.

This is a cash cost and therefore will be included within the pay costs in SOCI inputs. There is a separate staff restructuring enhanced pensions costs line in the SOCI inputs available, although this is meant for enhanced pensions resulting on redundancy only.

## 5. Additional lines

We are unable to add additional lines to the model at present as it will affect our data extraction process. Please make a judgement on how best to treat this in the model with the lines available. Record your decision in the narrative sheet including how this will differ from your financial statements. We have made a note of this issue and are considering it for future versions of the model.

## 6. Further releases of the IMFC

We are planning to release a final updated version of the IFMC on Thursday 6 February 2020. This will be the last update to the IFMC before the submission deadline on Friday 28 February 2020.

We will continue to develop and test the IFMC and work with Colleges to provide feedback ahead of future releases after the 28 February deadline.

Please continue to provide feedback via email at [financial.model@education.gov.uk](mailto:financial.model@education.gov.uk).

The updated IFMC, along with an unlocked version of the IFMC and a completed version of the IFMC, will be published on the [college financial planning handbook page on GOV.UK](#).

If you have not yet started to complete the IFMC we strongly recommend you do so in order for us to respond to any queries and feedback you may have.

## 7. Deadline for submitting the IFMC

The deadline for submission of the IFMC is Friday 28 February 2020. This has been set later than usual because of the delay to the publication of the template.

The annual return deadline for the following year will be the 31 January 2021.

## 8. Why we have introduced the IMFC

The model aims to simplify the returns from colleges whilst providing detailed financial information quickly to understand the current and forecast financial position of colleges.

We have listened closely to feedback from colleges completing all 4 of ESFA's previous Excel-based financial returns who told us this was time-consuming and asked us to reduce the number of returns. We have also listened to feedback from colleges that we should develop an excel-based return for the first

submission.

The IFMC is a first step in rationalising the current ESFA financial returns into one common template. We will continue to work with colleges via the College User Group to explore how we can simplify the template in the future.

If you are interested in joining the college user group please contact [financial.model@education.gov.uk](mailto:financial.model@education.gov.uk).

## 9. How we've consulted with colleges

We have worked closely with colleges and sector bodies on the new submission process, submission deadline and IFMC. We have attended Association of Colleges (AoC) and Sixth Form College Association (SFCA) events over the past 12 months to talk to colleges and sector bodies about the issues they face and to consult on the submission process, submission deadline and the IFMC.

We have also encouraged colleges to join the College User Group which we have used throughout the project to ask for specific feedback on the proposed changes.

Around 50 colleges are members of the college user group and 26 have been actively involved in the development of the IFMC. We will be going back to this group on a regular basis as we further develop the IFMC.

If you are interesting in joining the college user group please contact [financial.model@education.gov.uk](mailto:financial.model@education.gov.uk).

## 10. Support for colleges completing the IMFC

If you need support, in the first instance please email us at [financial.model@education.gov.uk](mailto:financial.model@education.gov.uk).

We are offering a range of support to colleges to complete the IFMC:

- we can offer 1 to 1 support, phone calls or visits, to provide support
- we are holding weekly webinars, to join please contact [financial.model@education.gov.uk](mailto:financial.model@education.gov.uk) and we will send you details of the next event
- we are attending the upcoming AoC regional meetings and will work with colleges arranging their own regional events
- you can watch our overview video of the IFMC

## **11. How long it will take to complete the IFMC**

We appreciate the IFMC is complex and requires a level of detail ESFA have not previously requested from all colleges. We have listened closely to feedback from Colleges completing all 4 of ESFA's previous Excel-based financial returns who told us this was time-consuming and asked us to reduce the number of returns. We have also listened to feedback from colleges that we should develop an Excel-based return for the first submission.

The IFMC is a first step in rationalising the current ESFA financial returns into one common template. We will continue to work with colleges via the College User Group to explore how we can simplify the template in the future.

We do understand there is a short-term investment of time to adjust to the IFMC and the new return deadline. We are offering a [range of support](#) to throughout this process and we would encourage colleges to contact us if they need help.

## **12. Future changes to the IFMC**

Our first priority is to ensure we continue to offer support to colleges to complete and submit their IFMC by Friday 28 February 2020.

Our next priority is to improve the speed with which we can provide college benchmarking and dashboard reports.

The IFMC is a first step in rationalising the current ESFA financial returns into one common template. We will continue to work with colleges via the College User Group to explore how we can simplify and pre-populate the template in the future.

In the longer term we will work with the college user group to explore other submission options and submission technologies.

## **13. Colleges don't have the required detail on their income and expenditure to complete the cash flow (CF Inputs) tab**

We expect colleges to be tracking cash at this level of detail going forward so while we appreciate this may take some adjustment short term we do expect this to be reflected in the February submission.

We recognise that a college will not have had sight of the model classifications required for income and expenditure and therefore also receipts and payments and it would be very time consuming, if possible at all, to fully align to the model classifications for the previous financial year and current financial year actual receipts and payments.

Our recommended approach therefore is to reclassify actual income and expenditure to align with the IFMC categories as this should be relatively straight forward with the income types mirroring funding statements and there are limited cost categories.

Record your decision in the narrative sheet including how this will differ from your financial statements.

## 14. 'Other income' lines

You will need to aggregate all lines that apply into one income line. This means that all of this aggregated income will map to the same balance sheet account, and consequently there will be some variance within the mix of 'other' and 'trade receivables' compared to your statutory accounts. This is not an issue, as long as the aggregation is detailed within the narrative tab. We are keeping the existing income lines as they are, but are considering this for future model development and will talk to the college user group about this issue.

We recognise that different income lines will have different cash profiles and we encourage you to model that outside of the IFMC and then input the total output into the model.

Record your decision in the narrative sheet including how this will differ from your financial statements.

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