Research Accounts Bulletin 2017-04

News

Apprenticeship Levy

Further to the Research Accounts Bulletin of 30 June 2017, please see below for updated guidance on the Apprenticeship Levy.

The necessary system changes required in order to make the posting of the Apprenticeship Levy are ongoing and as a result we will be charging the Apprenticeship Levy manually to projects (this will apply to all externally funded projects, irrespective of type) from September and also post the August charge at this point. There will be no manual re-charge in the general ledger but when the system changes are delivered, the charge will be posted to departmental cost centres as well but will not be back dated. The following process for projects will remain in place until the system changes are delivered.

Research Accounts will calculate the Apprenticeship Levy by person and project and charge to all eligible projects (all projects except those funded by Cancer Research UK, British Heart Foundation and Leverhulme Trust) on a monthly basis.

The Apprenticeship Levy will be posted as soon as the monthly payroll has been posted.

Please note the following:

- Recharges to research projects will be analysed on an employee-by-employee basis.
- A separate expenditure type, "Apprenticeship Levy", will be created in Projects. This expenditure type will be mapped to GL account 51430 – Apprenticeship Levy.

Transfers of Staff Costs between Projects

Transfers of staff costs between projects on which the Apprenticeship Levy is recoverable should present few difficulties, although departments must remember to transfer the Apprenticeship Levy for each salary line being moved. Extra care should be taken in cases where at least one of the projects involved
in the transfer does not allow for the Levy to be recovered. Currently projects funded by Cancer Research UK, British Heart Foundation and Leverhulme Trust are not eligible for the charge.

Scenario 1 – transfer of staff cost from project A to project B; the apprenticeship levy is recoverable on project A, but is not recoverable on project B

In this scenario, project A allows for the recovery of the Levy, so the staff cost in project A consists of two items the salary line and the manual recharge. Project B, however, does not fund the Levy, the following steps will be required to complete the transfer:

1. A project-to-project transfer for both items;
2. A Projects-to-GL journal (please see double entry below), which ensures that the Apprenticeship Levy removed from project B is charged to the applicable departments cost centre. This cost has been budgeted for in departments accounts. This will be completed by Research Accounts when the next financial report or statement is issued to the funder:

<table>
<thead>
<tr>
<th>Debit</th>
<th>GL</th>
<th>**0000-51430</th>
<th>£15.95</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit</td>
<td>Projects</td>
<td>Apprenticeship Levy</td>
<td>(£15.95)</td>
</tr>
</tbody>
</table>

**Payroll Costing Report Reconciliation**

The payroll costing report will not include the Apprenticeship Levy until the system solution has been fully implemented, so when departments are reconciling the payroll costing report to the projects module they should exclude the Levy from the reconciliation.