

# **Financial Procedures**

**Special Olympics Great Britain**

**August 2018**



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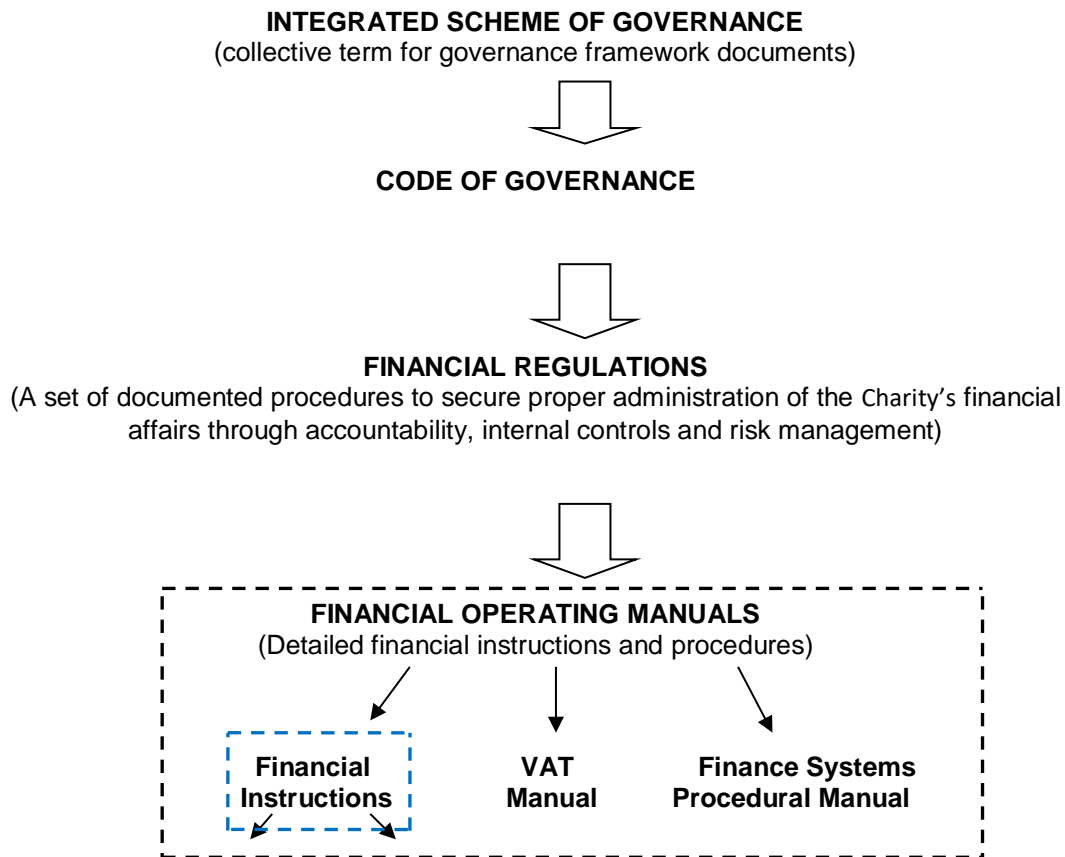
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## 1. Introduction and Background

As a Not for Profit organisation, Special Olympics GB is covered by a range of accounting standards, which have been designed to ensure accountability of public funds. These Financial Instructions are part of the Charity's Operating Manuals and provide detailed financial procedures that ensure compliance with all requirements placed upon the Charity as a separate legal entity.



The Board of Directors are responsible for the day to day financial management of the Charity and the exercise of the delegations made to the staff. In operating day to day financial management, the Board of Directors must ensure compliance with the approved policies and levels of authorisation.

The CEO is responsible for:

- The day to day financial management of the budget approved by the Board of Directors in accordance with the Financial Regulations and to account to the Board for the management of those funds;
- Control of all financial systems and procedures; and
- The preparation and dissemination of these Financial Instructions.

The Board of Directors has also delegated the financial responsibilities in the Charity's Delegation of Authority document (DoA). The Terms of Reference for any delegated committee are defined elsewhere.

Finance Team supports the CEO in the financial management of the budgets. It provides financial advice and support to Budget Holders, facilitates the monthly budget monitoring process and produces quarterly reports for the Board of Directors. It is the responsibility of all staff involved in any of the processes covered by these Financial Instructions to adhere to any

deadlines set for entering transactions into the General Ledger and submitting information for the financial reports.

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## 2. Scope

**These instructions apply to all staff, including Clubs and Branches,** engaged in financial activities throughout the Organisation.

Everyone whose duties encompass these financial instructions has a responsibility to adhere to them. **Compliance is compulsory** and will guarantee that all SOGB financial governance requirements are met. If there is anything that you don't understand you must inform your supervisor.

**Failure to comply with these instructions may result in misconduct proceedings, removal of system access and potentially, action against the individuals concerned.**

**These instructions are designed to cover all aspects of cash handling, ordering and payment for goods and services and income.**

Links to all the relevant documents are in Section 6 – Associated Documents. Employee payments are not covered by these instructions and are contained in the relevant Human Resources policy and procedure.

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## 3. Roles & Responsibilities

Note: These roles are not necessarily individual people and one person may hold more than one role.

Section	Role	Responsibilities
Board	Finance Director/Controller	<ul style="list-style-type: none"> <li>The day to day financial management of the budget allocated to the organisation in accordance with the Financial Regulations and to account to the Board of Directors for the management of those funds</li> <li>Control of all financial systems and procedures</li> <li>The preparation and dissemination of the Financial Instructions, providing detailed guidance on the operation of specific financial processes controlled by the organisation.</li> </ul>
Department Heads	Budget Holder	<ul style="list-style-type: none"> <li>Ensuring that all approvals required in the DoA have been obtained before authorising any expenditure</li> <li>Ensuring that the procedures in these Financial Instructions are followed when ordering goods and/or services</li> <li><i>Ensuring that a valid exemption to the requirement to raise a Purchase Order exists before authorising a pay only invoice</i></li> <li>Taking remedial action to control costs that exceed the allocated budget</li> <li>Co-operation with Internal and External Audit where required</li> </ul>
	Budget Manager	<ul style="list-style-type: none"> <li>Ensuring no commitments are made which would lead to the budget being overspent without the appropriate approvals</li> <li>Ensuring that a valid exemption to the requirement to raise a Purchase Order exists before authorising a pay only invoice</li> </ul>

		<ul style="list-style-type: none"> <li>• Co-operation with Internal and External Audit where required</li> </ul>
	Supervisor	<ul style="list-style-type: none"> <li>• Ensuring that housekeeping of Purchase Orders is done regularly</li> <li>• Physically verify the cash held in the petty cash account to the amounts recorded on the monthly return</li> <li>• Checking the opening balance on the petty cash account on a monthly basis</li> <li>• Checking that the petty cash vouchers have been correctly completed and authorised for all payments</li> <li>• Ensuring that valid VAT receipts have been obtained and the correct VAT has been applied on all petty cash claims</li> <li>• Ensuring that all petty cash claims reconcile</li> <li>• Ensuring that the petty cash account does not go overdrawn</li> <li>• Co-operation with Internal and External Audit where required</li> </ul>
	Purchase Order Requisitioner	<ul style="list-style-type: none"> <li>• Raising Purchase Orders in advance for all goods and services</li> <li>• Ensuring the correct business area, account code and activity code are used</li> <li>• Receipting Purchase Orders promptly and accurately</li> <li>• Dealing with any discrepancy or unsatisfactory goods and/or service immediately</li> <li>• Regular housekeeping of Purchase Orders</li> </ul>
	Purchase Order Approver	<ul style="list-style-type: none"> <li>• Approving Purchase Orders promptly</li> <li>• Ensuring there is a genuine need for goods and/or services being ordered</li> <li>• Checking there is enough money in the appropriate budget</li> <li>• Ensuring that any supporting documentation and processes have been completed (i.e. quotations, exemptions, etc)</li> <li>• Ensuring that the correct business area, account code and activity code have been used</li> </ul>
	Finance Systems Manager	<ul style="list-style-type: none"> <li>• Authorising access to the finance systems</li> <li>• Ensuring that there are up to date documented procedures in place for the finance systems</li> <li>• Reviewing the procedure documents annually</li> </ul>
Procurement	Procurement Officer	<ul style="list-style-type: none"> <li>• Maintaining product information.</li> <li>• Authorising the use of new suppliers</li> </ul>

Accounts Payable & Receivable	Accounts Payable and Receivable Team Leader	<ul style="list-style-type: none"> <li>• Approving access for new users within the existing governance hierarchy</li> <li>• Annual review of user accesses</li> <li>• Maintaining electronic supplier records, including communication methods</li> <li>• Ensuring that pay only invoices are only processed where a valid exemption from raising a Purchase Order exists and it has been authorised in accordance with the approvals in the Scheme of Financial Delegation</li> <li>• Actively pursue invoices for all receipted Purchase Orders</li> <li>• Actively pursue the return of all credit balances on the purchase ledger</li> <li>• Providing the Finance Governance Group with monthly reports on retrospective Purchase Orders and pay only invoices without a valid exemption</li> <li>• Raising timely and accurate invoices which comply with HMRC VAT categorisation</li> <li>• Debt Recovery</li> <li>• Requesting write offs of irrecoverable debt.</li> <li>• Cashiering/Banking function, processing receipts and claiming payments.</li> </ul>
<i>Finance Branch</i>	Finance Director/Controller or CEO	<ul style="list-style-type: none"> <li>• Authorisation of GL codes</li> <li>• Authorisation of opening bank accounts</li> <li>• Approval of new petty cash accounts and changes to limits</li> <li>• Approve Purchase Order and invoice authorisation limits</li> <li>• Approving exemptions to and amending user responsibilities</li> <li>• Updating the Scheme of Financial Delegation with any changes to user responsibilities</li> <li>• Approve petty cash reimbursements over £300</li> <li>• Approve proforma invoices from suppliers for costs other than legal and training</li> </ul>
		<ul style="list-style-type: none"> <li>• Ensure integrity of the accounts</li> <li>• Ensuring appropriate compliance within integrated Scheme of Governance for their Business Areas</li> </ul>
<i>Finance Branch</i>		<ul style="list-style-type: none"> <li>• Issue month and Year-end timetables</li> <li>• Set up and disable codes</li> </ul>

## 4. Terms and Definitions

### **Accounts Payable and Receivable**

A team based at SOGB Headquarters responsible for ensuring that all invoices are paid within their payment terms and all income owed to the organisation is received and recorded correctly in the General Ledger.

### **Accrual**

The value of goods and services received by SOGB where a corresponding invoice has not yet been processed or received.

### **Annual Revenue Budget**

The approved amount to spend for specified items. It provides a basis on which to monitor financial performance.



<b>Budget Holders</b>	Heads of Service who have been allocated a budget to run the areas for which they are responsible.
<b>Budget Managers</b>	Managers of specific areas, who have been allocated a budget to exercise the activities for which they are responsible. They are accountable to the Budget Holders for the expenditure they incur and are required to take remedial action if their costs exceed the budget allocated to them.
<b>Capital Budget</b>	A capital budget relates to the acquisition or enhancing of fixed assets, such as buildings, equipment and IT with a minimum cost of £20,000 and an expected useful life in excess of one year. All vehicles are capitalised regardless of value.
<b>Carry Forward</b>	A carry forward is the process of transferring resources between accounting years. This may increase or decrease the resources available to Budget Holders in the following year and is subject to the approvals contained in the Scheme of Financial Delegation.
<b>Competent Staff</b>	Staff capable of carrying out a specified task without risk to themselves or others and have the skills, knowledge, suitable training and any other relevant characteristics required.
<b>Conflict of Interest</b>	A personal interest which may affect, or be seen by others to affect, your impartiality.
<b>Contract</b>	A legally binding agreement (including Purchase Orders, leases and service level agreements) to acquire, purchase or sell goods, services or building works.
<b>DoA</b>	Delegation of Authority
<b>Ex-Gratia Payment</b>	A payment made where no legal liability or obligation to pay exists.
<b>Forecast</b>	A prediction, based on latest available information (and reasonable assumptions) of the estimated financial position at some point of time in the future (i.e. financial year end).
<b>General Ledger</b>	A complete record of the organisation's financial transactions.
<b>Goods</b>	Physical items that can be purchased (for example, food, clothing and equipment).
<b>Pay-Only Invoice</b>	An invoice received without a valid Purchase Order number.
<b>Prepayment</b>	Adjustment made to financial period to remove costs and assign them to future periods.
<b>Quotation</b>	A document that a vendor or service provider gives to a customer, to describe specific goods and services that can be provided and their cost.
<b>Risk</b>	The chance or possibility of loss, damage, injury or failure to

achieve objectives caused by an unwanted or uncertain action or event.

<b>Scheme of Delegation</b>	An official document from the Board of Directors assigning authority and responsibility to staff to carry out specific activities or functions.
<b>Services</b>	The performance of specific duties, work or professional activities for a fee (for example, the maintenance of equipment and consultancy).
<b>Sponsorship</b>	The support of an event, activity or organisation by providing money or benefit in kind of value to the sponsored event. This is usually in return for some form of “benefit” by association with SOGB.
<b>Strategic Financial Outlook</b>	A medium term (4 year) estimate of the annual revenue and capital income and expenditure requirements for the organisation.
<b>Tender</b>	A formal sealed bid, written or electronic offer to carry out work, supply goods or buy assets at a stated fixed price. It will usually contain detailed information on requirements and terms associated with a potential contract.
<b>Works Expenses</b>	Payments made by staff for courses that they must attend as part of their job requirements or expenses incurred as a direct consequence of their duties (for example, travel expenses).

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## 5. Procedure

### 5.1 Recording Financial Information

Maintaining accurate accounting records is one of the ways which the Board of Directors discharges their responsibility for stewardship of public resources. All SOGB financial systems may be assessed as part of the annual review by the appointed External Auditors, or by Internal Audit. It is essential that all transactions, material commitments, contracts and other important accounting information is recorded completely, accurately and on a timely basis. The procedures in the following sections will ensure that these requirements are met.

#### 5.1.1 SOGB Finance Systems

SOGB uses SAGE as its main finance system to record financial transactions and produce accounting information. SAGE comprises the following financial applications:

- Accounts Payable – payment of supplier invoices;
- Accounts Receivable – invoiced income and cash management; and
- General Ledger – records SOGB financial transactions.

**SAGE must be used for all official financial reporting and is the master source of financial information. Any figures used for internal reporting not taken from SAGE must balance back to it.**

Access to SAGE or any of its feeder systems is restricted and can only be approved by the respective Systems Manager. If you require access to any financial system your line manager must make the request to the Systems Manager. All staff who have been given access to any of these systems are responsible for ensuring the security of their password information.

## 5.1.2 Monthly Responsibilities

The primary responsibility for monthly transactional activities sits with the Financial Director/Controller who will have a professional responsibility to ensure the integrity of the monthly management accounts.

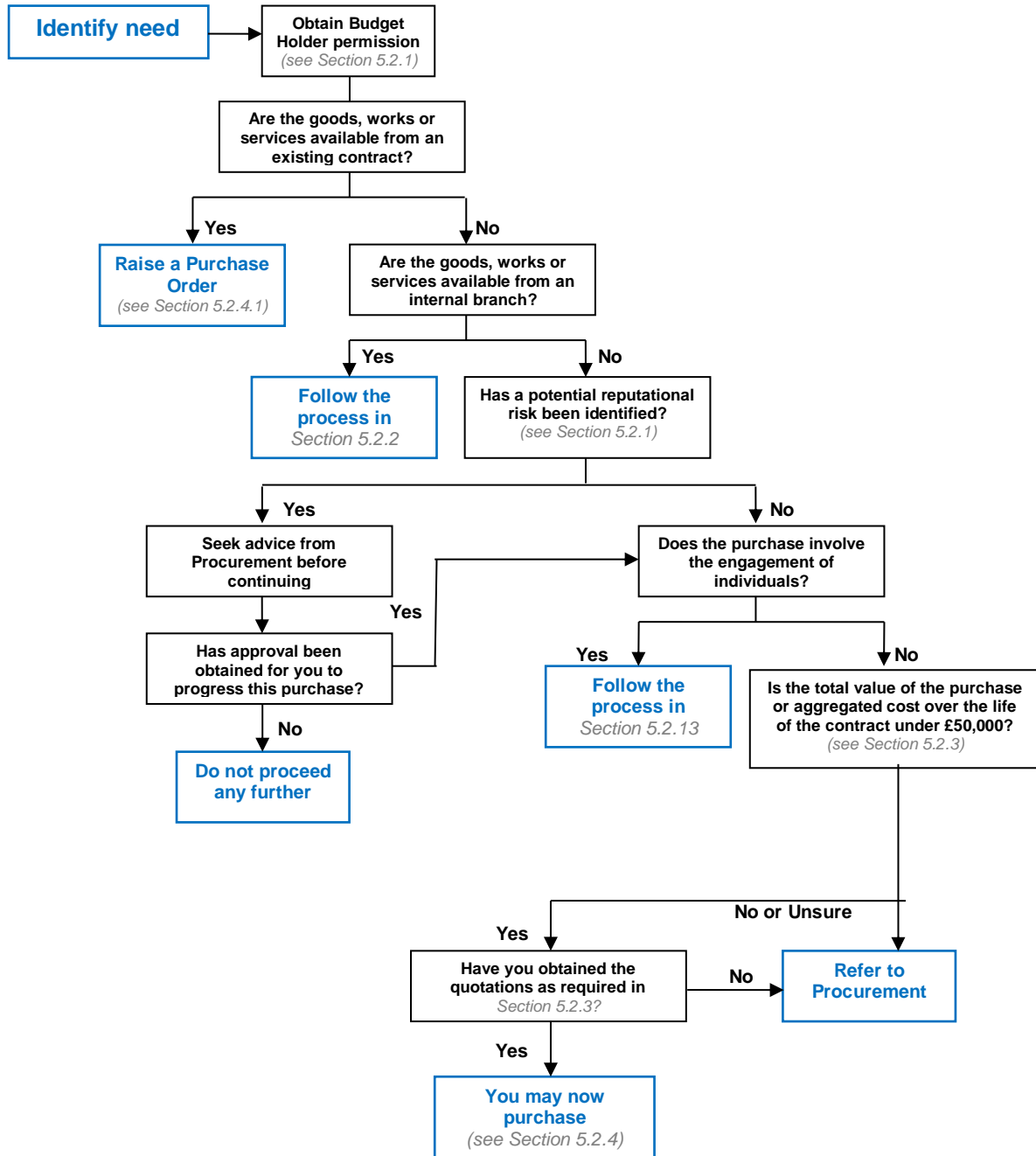
Monthly checks should include the following:

- Review and resolution of all held invoices - see *section 5.2.8 Purchase Order Housekeeping and Invoices on Hold*
- Review outstanding Purchase Order reports - see *section 5.2.8 Purchase Order Housekeeping and Invoices on Hold*
- Reconciliation and checking of all Petty Cash balances including sub floats – see *section 5.2.10.7 Reconciliation and Review of Petty Cash*

## 5.2 Ordering and Payment of Goods and Services

Goods and services can be purchased from a variety of different sources, including internal and external suppliers. The flowchart below summarises the procurement process you must follow before you order any goods or services.

Where a contract is available, but the requirement is so urgent that the supplier is unable to meet the timescale demanded (i.e. a genuine unforeseeable operational need arises) approval must be obtained from procurement before pursuing any alternative suppliers. Failure to take action to acquire goods within appropriate timescales does not constitute grounds for urgency, the only exception to this would be in a critical situation, as directed by the CEO or Financial Director/Controller



## 5.2.1 Introduction

All goods and services must only be ordered for authorised business purposes. The procedures in the following section will ensure that these requirements are met. Under no circumstances can goods or services be ordered or otherwise acquired using SOGB arrangements, contracts, systems or procedures for the private use of individuals.

As a Charity, SOGB has to adhere to legislation and Charity Commission Regulations. Failure to comply with any of these could result in penalties and/or fines. This exposes SOGB to unacceptable levels of **reputational** risk (e.g. poor publicity, damage to the organisation's good standing and public trust, accusations of corruption or favouritism). Where poor procurement decisions have been made, there may be further **financial** risk (e.g. poor value for money where prices have not been sufficiently compared or benchmarked against national contracts or rates), and **quality** risks (e.g. where suppliers' goods, technical standards or capabilities have not been sufficiently checked or vetted resulting in substandard or unsound goods and services). Staff should also be aware that in addition to SOGB being held responsible, the individual may also be held responsible for improper commercial practices.

It is essential that all staff ensure that these Financial Instructions are complied with and that the correct procedures are followed when obtaining quotations and tenders and for raising orders.

**Approval for all purchases must be obtained in advance from the Budget Holder or Budget Manager, be within the allocated budget and in line with the approval limits in the Scheme of Financial Delegation.**

For Purchase Orders, these must be raised and approved in advance of the items being received. If any item is to be purchased by petty cash or with a purchase card you must obtain approval in advance via e-mail.

## 5.2.2 Internal Supply of Goods and Services

N/A

## 5.2.3 External Supply of Goods and Services

The table below shows the procedures to be used to obtain quotations for non-contracted goods and services sourced from external suppliers. If the item you wish to purchase is available on an existing contract the contracted supplier must be used.

The total value of the purchase is the total cost that you will pay (including delivery charges) for the goods and/or services. If there is an ongoing commitment the total cost over the life of the contract should be used. If you are unsure what the total value is contact Procurement for advice.

Total Value	Requirement
Less than £5,000	<b>A minimum of one quote</b> (by e-mail, catalogue or price list) must be obtained in advance from a reputable supplier. You should attach a rationale to support your reasons for choosing a certain supplier to the Purchase Order.
£5,000 to £20,000	<b>Three competitive quotations</b> (by e-mail, catalogue or price list) must be obtained in advance from reputable suppliers. You should attach the quotations and a rationale to support your reasons for choosing a certain supplier to the Purchase Order.
£20,000 to £49,999	Contact Finance Director/Controller for guidance before requesting any quotations.  <b>Three formal written quotations</b> (in writing or by e-mail) must be

	<p>obtained in advance from reputable suppliers. When requesting quotations:</p> <ul style="list-style-type: none"> <li>• Include a specification of the services and/or goods required and timescales for delivery, where possible; and</li> <li>• Attempt to secure an agreement from the supplier that the goods will be delivered free of charge.</li> </ul> <p>You should attach the quotations and a rationale to support your reasons for choosing a certain supplier to the Purchase Order.</p>
£50,000 and above	Finance Director/Controller will carry out a formal tender process.

### 5.2.3.1 Evaluation of Quotations

When reviewing the quotations you must check that the terms and conditions of the sale are appropriate. The goods and/or service must demonstrate best value, this is the best combination of price, quality and other relevant factors. Where the supplier requires a written contract, contact Finance Director/Controller for guidance before signing any documentation.

In order to meet security requirements any supplier we engage should be providing a valid e-mail address and as the preferred method of payment is by BACS, valid bank account details.

### 5.2.3.2 Conflicts of Interest

A conflict of interest is personal interest which may affect, or be seen by others to affect, your impartiality. If at any time during the process you identify a potential conflict of interest, do not continue with the purchase and report the issue to Finance Director/Controller, who will advise you of the appropriate course of action to take.

### 5.2.4 Purchasing Goods and Services

The table below shows the payment method that can be used for different types of expenditure.

**If an item is available on an existing contract you must use that contract** (see Section 5.2.2. *Internal Supply of Goods & Services*).

Payment Method	Type of Expenditure
Purchase Card (see Section 5.2.9 – <i>Purchase Cards</i> )	<ul style="list-style-type: none"> <li>• Low value purchases where the supplier accepts payment by credit card</li> <li>• Online purchase only in specific circumstances (see Section 5.2.6.4 – <i>Online Transactions</i>)</li> </ul>
Petty Cash Cash (see Section 5.2.10 – <i>Petty Cash Payments</i> )	<ul style="list-style-type: none"> <li>• Ad-hoc operational expenses</li> <li>• Special delivery post office charges (e.g. recorded delivery)</li> <li>• One-off low value purchases</li> </ul>
Imprest Cheque (see Section 5.2.10 – <i>Imprest Payments</i> )	

Non-Purchase Order Invoices (see Section 5.2.6.1)	<ul style="list-style-type: none"> <li>• Insurance payments</li> <li>• Medical reports (non contracted payments)</li> <li>• Solicitors' fees (non contacted payments)</li> <li>• Grants provided to other organisations</li> <li>• Periodic payments (e.g. rent and rates)</li> <li>• Courier services</li> <li>• VAT-only invoices</li> <li>• One-off payments (e.g. compensation claims)</li> </ul>
Purchase Order (see section 5.2.4.1 Purchase Orders)	<ul style="list-style-type: none"> <li>• Items available on an existing contract</li> <li>• All other payments</li> </ul>

### 5.2.4.1 Purchase Orders

A Purchase Order must be raised in advance for all goods and services ordered from external suppliers, unless a non-Purchase Order invoice is allowed (see Section 5.2.4 – Purchasing of Goods and Services). It is the responsibility of the person raising the Purchase Order to ensure that the correct procurement process has been followed.

A Purchase Order must never be raised and approved by the same person. You will find a list of all authorised approvers and their delegated levels of authority in the DoA. If a Purchase Order is above the approvers limit, they must still approve it and it will automatically be forwarded to a 'top approver' to authorise.

Approval of the Purchase Order constitutes a commitment of expenditure against the budget. Once approved, unless you request otherwise, the order will automatically be sent to the supplier. All invoices will be sent to Accounts Payable but the goods will be delivered to the site specified on the Purchase Order.

**Retrospective Purchase Orders are in breach of Contract Standing Orders.**

### 5.2.5 Receipt of Goods or Services

When the goods or services have been received the delivery note or job sheet must be sent to Accounts.

The table below shows what documents you may receive and what must be checked before they can be signed. If you are unable to check the items at the time that they are delivered you must write 'Uninspected' on the delivery note before signing it.

Type of Expenditure	Document	Who Can Sign?	What Must be Checked?
Goods	Delivery Note	Staff receiving the goods	<ul style="list-style-type: none"> <li>• Goods delivered are the same as those on the delivery note</li> <li>• Quantities delivered are the same as those on the delivery note</li> <li>• Goods delivered are satisfactory and not faulty</li> <li>• Goods must be signed for as unchecked, unless the driver is willing to wait until the whole delivery has been checked.</li> </ul>

Services	Timesheet	Line Manager	<ul style="list-style-type: none"> <li>Hours claimed agrees to hours worked</li> </ul>
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Any discrepancy or unsatisfactory goods or service must be dealt with immediately.

### 5.2.5.1 Returning Goods

Goods should be returned as soon as possible if they are found to be faulty, incorrect or unsatisfactory. The table below shows the process to follow if you need to return any items.

Why are the goods being returned?	Delivery Note	Action
All goods faulty, incorrect or unsatisfactory	<ul style="list-style-type: none"> <li>Write 'GOODS RETURNED' on the delivery note</li> <li>Do not sign the courier's copy</li> </ul>	<ul style="list-style-type: none"> <li>Send the delivery note to Accounts</li> </ul>
Some of the goods are faulty, incorrect or unsatisfactory	<ul style="list-style-type: none"> <li>Write 'GOODS RETURNED' against each faulty item and the number of items to be returned</li> <li>Make sure it is clear which items have been returned before you sign the delivery note</li> </ul>	<ul style="list-style-type: none"> <li>Send the delivery note to Accounts.</li> <li>Accounts to receipt all goods that are not being returned</li> </ul>
Unordered goods	<ul style="list-style-type: none"> <li>Do not sign for these items</li> </ul>	<ul style="list-style-type: none"> <li>Send a note to Accounts informing of unordered goods</li> </ul>

If you experience any difficulties contact the Accounts Payable Section for assistance.

### 5.2.6 Payment of Goods and Services

SOGB will only make payments on receipt of a valid invoice (*see Section 5.2.11.1 – Ensuring SOGB can Reclaim VAT on Purchasing*). Accounts Payable will match the invoice to a Purchase Order. If the invoice matches an approved Purchase Order or is within a set tolerance, then no further approvals are necessary. Where an order differs on price, the invoice will be directed back to the person who raised the order, to gain approval from the budget holder for the additional expenditure.

If you are requested to approve additional expenditure on an invoice you should:

- For contracted items where the price is different to the amount receipted contact Accounts as the price may have changed;
- For valid increases amend the Purchase Order, reapprove and receipt the additional amount; or
- Query any amount or quantity that is incorrect with the supplier.

Accounts Payable monitor any invoices they receive that have not been authorised or do not have a valid Purchase Order number. Accounts Payable will chase a response for all records that have been outstanding for 7 working days.

#### 5.2.6.1 Pay Only Invoices

Invoices will only be paid without a Purchase Order where a valid exemption to this requirement exists (*see Section 5.2.4 – Purchasing Goods and Services*).

Non-Purchase Order invoices should be authorised and sent to Accounts Payable. You will find a list of all authorised approvers and their delegated levels of authority in the DoA. Authorising an invoice means that the goods or services have been correctly supplied at the order price(s) and quantity(ies) and if the invoice is a duplicate it has not been paid before. If



the amount charged on the invoice is incorrect this should be queried with the supplier and a credit note requested, where appropriate (see Section 5.2.7 – Credit Notes).

### 5.2.6.2 Standard Payment Terms

All invoices will be paid to standard terms unless a prior arrangement has been approved by the Finance Director/Controlle – SOGB’s standard payment terms are 30 days. On some large contracts where it is beneficial for SOGB to pay in advance, this will be agreed as part of the contract negotiations. It is emphasised that SOGB wishes to maintain good relations with suppliers and therefore expects all staff to comply with existing credit periods and resolve queries as soon as possible.

Unresolved queries on contracted items should be referred to Accounts, who is expected to escalate any queries to the supplier within 7 working days.

Supplier payment runs are made twice a week via BACS. This is our preferred method of payment. Payments can still be made by cheque in exceptional circumstances.

### 5.2.6.3 Exceptions to Standard Payment Terms

A payment in advance occurs when a payment is made to a supplier before the goods and services are received. In most instances prepayments are not allowed. The table below shows the only exceptions:

Type of Prepayment	Circumstances Allowed	Documents Required	Authorisation
Advance (the standard 30 days payment terms are by-passed)	<ul style="list-style-type: none"> <li>Urgent need to see a person’s medical records</li> </ul>	<ul style="list-style-type: none"> <li>An invoice requiring immediate payment</li> </ul>	Budget Holder
Maintenance or Contracted Services exceeding 1 year	<ul style="list-style-type: none"> <li>As per the approved contract</li> </ul>	<ul style="list-style-type: none"> <li>An invoice for the supply of goods and/or services for a contracted period of time</li> </ul>	Budget Holder
Proforma Invoice (see Section 5.2.6.5 Proforma Invoices)	<ul style="list-style-type: none"> <li>Legal Fees</li> <li>Training Courses</li> </ul>	<ul style="list-style-type: none"> <li>Proforma invoice for the initial payment</li> <li>A valid VAT invoice must be obtained as soon as possible after payment</li> </ul>	Budget Holder
Online Purchases with a Purchase Card	<ul style="list-style-type: none"> <li>Train tickets</li> <li>Flights</li> <li>Hotel bookings</li> </ul>	<ul style="list-style-type: none"> <li>Booking confirmation</li> <li>A valid VAT invoice must be obtained where VAT has been charged</li> </ul>	Travel Desk
	<ul style="list-style-type: none"> <li>Non-Travel Related Online Purchase</li> </ul>	<ul style="list-style-type: none"> <li>Receipt for the payment</li> <li>A valid VAT invoice must be obtained where VAT has been charged</li> </ul>	Procurement

### 5.2.6.4 Online Transactions

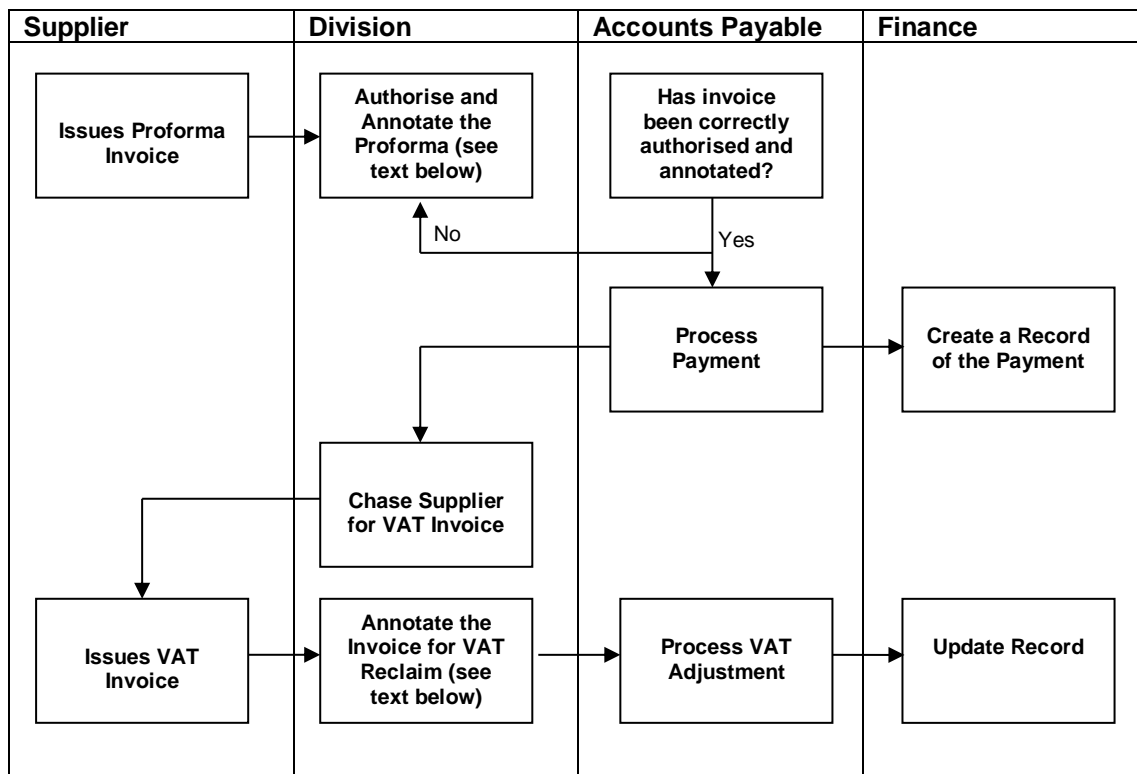
Most frequently ordered items should be available from an existing contract. However when making one-off purchases it may be necessary to purchase goods off contract, in this circumstance an online retailer may be used but only under the following conditions:

- You have ensured that the item is not available on contract.
  - Where a contract is available, but the requirement is so urgent that the supplier is unable to meet the timescale demanded (i.e. a genuine unforeseeable operational need arises) approval must be obtained from procurement before pursuing any alternative suppliers.
- Only reputable businesses and traders should be used who are VAT registered in UK (i.e. online version of a high street store or an online only retailer such as amazon)
- Other private traders (e.g. 'Fulfilled by Amazon' or 'Marketplace Seller') should not be used. Under no circumstances should E-bay be used to purchase any goods.
- The purchase value must not exceed the individual transaction limit for your purchase card. You must not split an order for multiple quantities of the same item to keep the value within this limit.

### 5.2.6.5 Proforma Invoices

**A proforma invoice is not a VAT invoice**, it is simply a document that declares the seller's commitment to provide the goods or services specified to the buyer at certain prices. Proforma invoices are usually issued before all the invoice details are known and can only be accepted in certain circumstances (see Section 5.2.6.3 – Exceptions to Standard Payment Terms). Where a need is identified to make a proforma payment for any other reason you must obtain the approval from the Finance Director/Controller

The flowchart below shows the process to be followed if you receive a proforma invoice.



All proforma invoices must be authorised and annotated with 'PROFORMA INVOICE FOR IMMEDIATE PAYMENT'. You will find a list of all authorised approvers and their delegated levels of authority in the DoA. No forms will be processed without valid authorisation.

The budget manager will need to obtain the VAT invoice within 30 days of the date on the proforma invoice. This must be clearly annotated with 'FOR VAT RECLAIM ONLY – PAID ON PROFORMA INVOICE' before sending it to Accounts Payable.

Finance maintain a spreadsheet of all proforma invoices received and paid, this is forwarded to budget holders every month as a reminder that a VAT invoice needs to be received in order that VAT can be reclaimed.

### **5.2.7 Credit Notes**

A credit note is issued by a supplier to reduce the amount charged on an invoice they have raised. This can be due to an amount being overcharged, a discount not being applied or where items have been returned after payment has been requested for them.

If you need to request a credit note you must ensure that the supplier quotes the Purchase Order number or the invoice number to which the credit relates. If no Purchase Order has been raised for the goods or services being credited, the credit note will need to be authorised. You will find a list of all authorised approvers and their delegated levels of authority in the DoA. Once the credit note has been approved forward it to Accounts Payable.

Accounts Payable must ensure that any credit balances on the ledger that have resulted from a credit note are actively pursued. Credit balances on the purchase ledger represent monies that have been paid to suppliers, where no goods and/or services have been supplied. The details of all credit balances where SOGB is unable to recover the money will be reported to Finance.

### **5.2.8 Purchase Order Housekeeping and Invoices on Hold**

It is the responsibility of the Finance Director/Controller to ensure that all housekeeping tasks are completed monthly and any queries on held invoices are dealt with in a timely manner. Housekeeping tasks include reviewing all open Purchase Orders, closing any orders that are no longer required, chasing any that have not been received and investigating and resolving any issues with held invoices for receipted orders that have not been paid.

These tasks are important to ensure that orders progress as required and budget information is accurate and up to date. If housekeeping is not up to date, this means that expenditure is overstated, which could impact on budget decisions.

System generated reports showing all open Purchase Orders and held invoices, will be sent to the Finance Director/Controller and other nominated users, around 5<sup>th</sup> of every month. If you do not receive these reports you must contact Accounts Payable.

### **5.2.9 Credit/Purchase Cards**

Credit/Purchase cards are an effective means of buying low value, non-contracted goods and services (see *Section 5.2.4 – Purchasing Goods and Services*) as they reduce the paperwork and administration time involved in ordering and processing invoices.

All new credit/purchase cards must be approved by the CEO or Finance Director/Controller.

A review of credit/purchase card holders and transactions will be conducted each year.

It is the responsibility of all supervisors and staff issued with a credit/purchase card to scrutinise expenditure to **ensure that all transactions have been coded correctly, have a valid VAT invoice (where VAT has been charged) and are approved.**

The approving Supervisor is responsible for ensuring that credit/purchase card transactions are for authorised business purposes only and in credit/purchase cards have been used appropriately (see *Section 5.2.4 – Purchasing of Goods and Services* and *Section 5.2.6.4 – Online Transactions*).

Failure to follow the rules may result in your card being permanently withdrawn or misconduct proceedings.

### **5.2.10.1 Petty Cash Rules and Regulations**

When using the petty cash account you must ensure that:

- All new petty cash accounts and increases to the limits must be processed in line with the approvals under the DoA;
- The petty cash is not used to cash personal cheques or to make personal loans;
- Under no circumstances should vouchers be purchased from the petty cash ;
- The petty cash is kept separate from all other monies;
- Money is not be borrowed or transferred from the petty cash account, including cash advances to make up a deficit in any other fund or budget;
- No advances of payroll related items (e.g. mileage, subsistence, course fees), is made from the petty cash account, under any circumstances
- Any claim which has possible tax implications (e.g. payment to contractors or staff) is not made from the imprest, due to the charity's legal obligations to HMRC;
- A return is submitted at least once a month, in line with the month end timetable, to top up the balance of the petty cash account. A nil return must be submitted if a claim does not need to be made; and
- Where applicable VAT receipts must be obtained.

### **5.2.10.3 Payments from Petty Cash**

Every request for payment from the imprest account must be made on an approved claim form. This must be signed by the claimant and authorised by your Business Support Supervisor. All claims must be supported by an invoice or cash receipt.

### **5.2.10.4 Cash Advances**

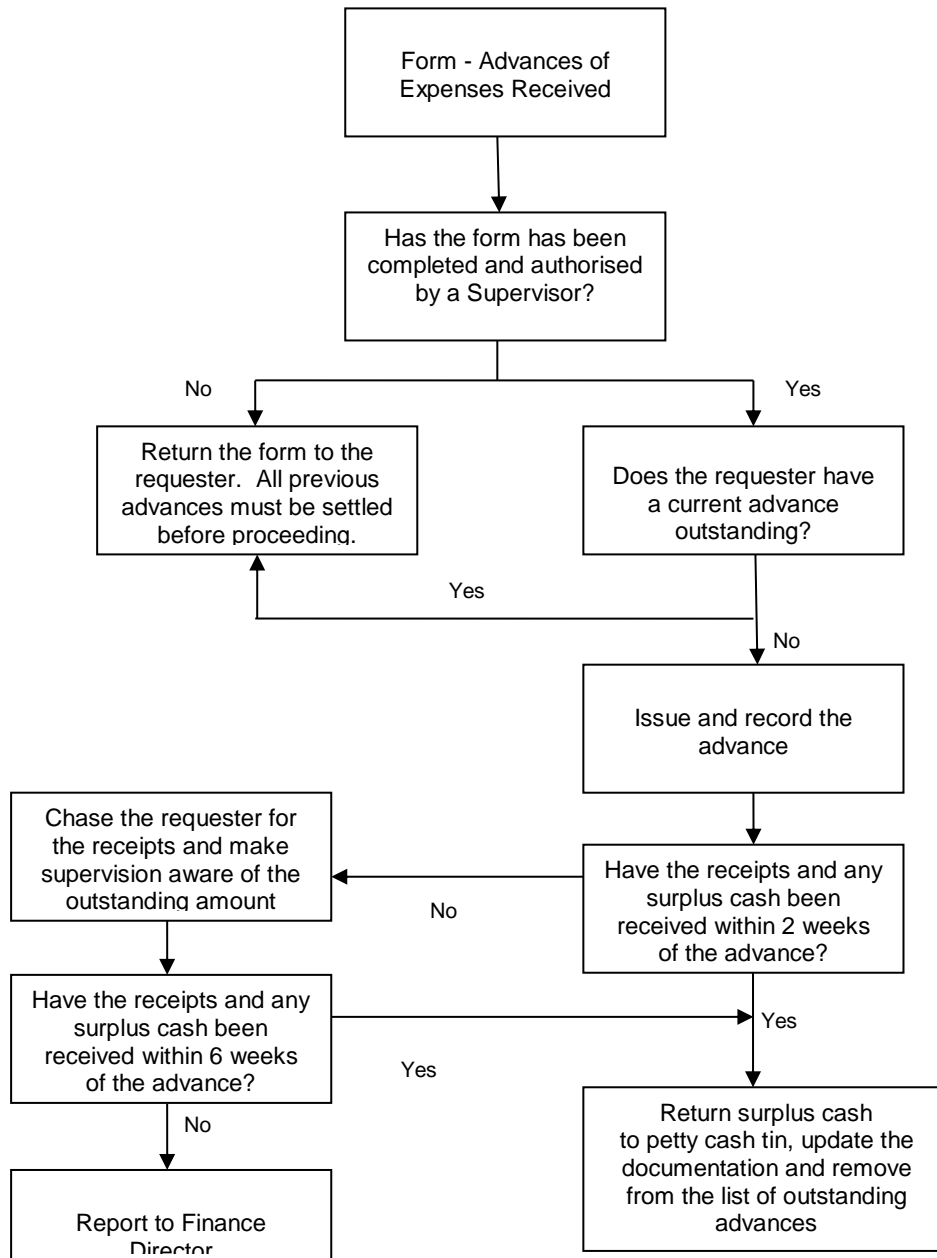
It is accepted that on occasions and only in exceptional circumstances, an advance may be given to staff to pay for minor items of expenditure. The only circumstances allowed are:

- Business continuity.

This should not include the payment of any work based expenses which should be claimed through the expenses process.

These advances must be approved in advance and an advances form completed. The amount of advance should be in line with the expected cost and within the Petty Cash limits in *Section 5.2.4 – Purchasing Goods and Services*. The rationale for the advance must be documented on the advance form and retained with the completed approval form.

The flowchart below shows the process for making advance payments from the imprest.



Where an advance has been authorised, all receipts must be returned together with the surplus cash to the Administration Section within 6 weeks of the advance being issued. No further cash advances can be made to any individual who has a current advance outstanding.

The Administration Section must chase all outstanding advances 2 weeks after it has been issued and make the supervision aware of the outstanding amount.

Cash advances for the following can only be made by the Finance Director/Controller or CEO:

- Overseas travel expenses;

The DoA contains a list of all authorised signatories. In approving claims the signatory must be satisfied that the expenses have been incurred on SOGB business and are in accordance with all regulations and conditions of service as applied by SOGB and must maintain accurate up-to-date records of any advances transactions.

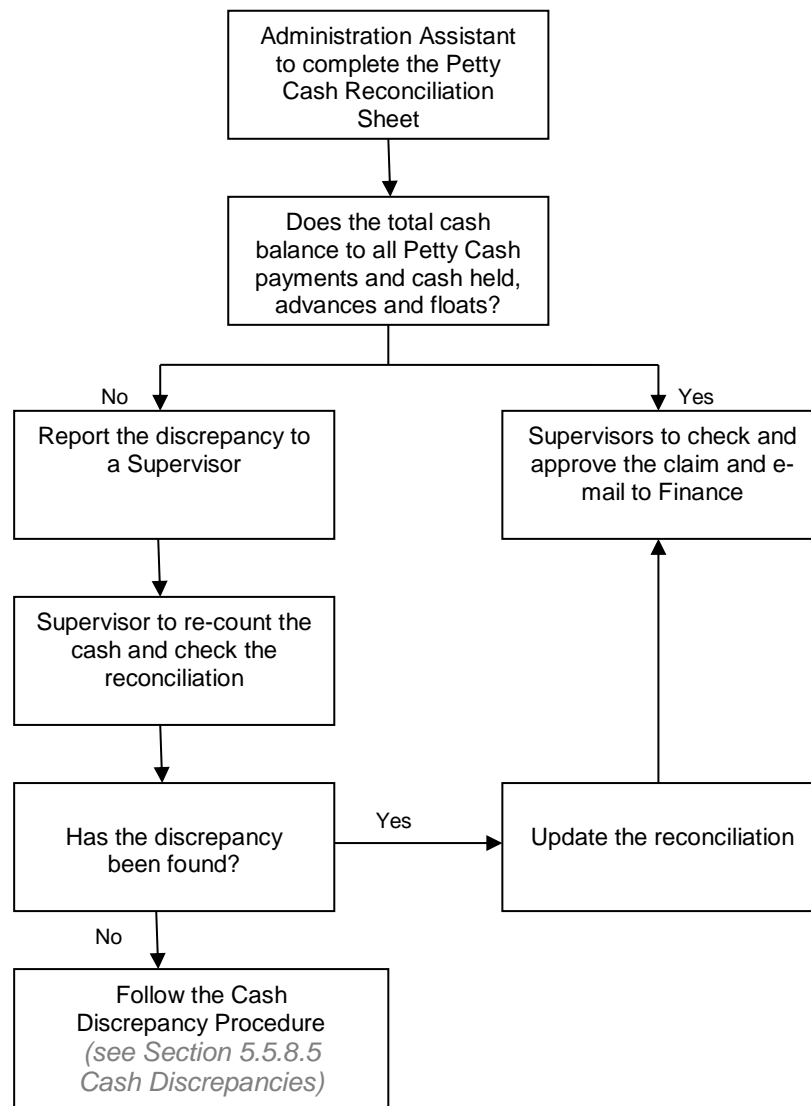
### 5.2.10.4.1 Recording of Petty Cash Payments

The details of all Petty Cash payments must be recorded in the 'Payments from Petty Cash' tab of the reconciliation spreadsheet as soon as possible after the transaction has been completed. The payment must be properly coded and the correct VAT applied. If you have any issues with completing this you should contact Accounts.

### 5.2.10.5 Reconciliation and Review of Petty Cash Accounts

Every month all Petty Cash must be reconciled and a reconciliation spreadsheet e-mailed to Finance. If the Petty Cash account has not been used since the last reconciliation a nil return should be submitted. This may be completed more frequently if a claim for reimbursement is required during the month to prevent the account from going overdrawn.

The flowchart below shows the process to be followed.



A record of the imprest reconciliation statement should be retained for a minimum of two years after the year end to which they relate. Any surplus or deficit must be reported in accordance with cash discrepancy procedures (see Section 5.5.8.5 – Cash Discrepancies).

Finance is responsible for ensuring that they annually review the usage of all floats. Finance Branch will review the authorised limits on all imprest accounts annually.

## 5.2.11 VAT

VAT is a complex subject, on a basic level you need to ensure that SOGB pays the right amount to HM Revenue and Customs (HMRC). For expenditure that is incurred by SOGB it is the supplier's responsibility to decide whether or not their charges for goods and/or services are liable for VAT. If VAT is charged it will be shown on the invoice received from the supplier. This VAT is known as Input Tax.

For VAT purposes our registration is in the name of SOGB Promotions.

SOGB Promotions is eligible to reclaim Input Tax from HMRC if the supplier's VAT charge is supported by a valid VAT invoice. This VAT will be reclaimed by Accounts. It is in SOGB's interest to ensure that it receives a valid VAT invoice, so that the VAT paid can be reclaimed (i.e. if SOGB Promotions bought goods for £100 plus VAT at a rate of 20%, it would cost £120 if VAT could not be reclaimed).

### 5.2.11.1 Ensuring SOGB can Reclaim VAT on Purchasing

Not all invoices are valid VAT invoices. A valid VAT invoice should be obtained for all goods and/or services before payment is made, unless it is an online transaction in line with *Section 5.2.6.4 Online Transactions* or a Proforma invoice *5.2.6.5 Proforma Invoices*. A supplier will normally issue a VAT invoice within 30 days of the date of supply of the goods and services. If you receive any requests for payment in advance follow the procedures in *Section 5.2.6.3 – Exceptions to Standard Payment Terms*.

The Customer's name on all supplier invoices should be the name of the legal entity registered with HMRC. If the name is not stated correctly on the invoice you must contact the supplier to change it.

The table below shows the documentation required and the information it must contain for the Force to be able to reclaim VAT on different types of expenditure.

Document	Requirement
Invoice	<ul style="list-style-type: none"> <li>The invoice must show the seller's VAT registration number</li> </ul>
Expenses Claim	<ul style="list-style-type: none"> <li>VAT receipts must be attached to all expenses claims</li> </ul>
Mileage Claim	<ul style="list-style-type: none"> <li>VAT receipts for fuel should be attached to all mileage claims</li> </ul>
Payment Certificates (for Building Works)	<ul style="list-style-type: none"> <li>Payment certificates must be accompanied by a VAT invoice from the supplier or contractor</li> </ul>
Proforma Invoice	<ul style="list-style-type: none"> <li>A VAT invoice must be obtained from the supplier (see <i>Section 5.2.6.5 – Proforma Invoices</i>)</li> </ul>

### 5.2.11.2 Accounting for VAT on Purchases

There is a separate expenditure code for VAT, which is not charged against delegated budgets. If you cannot produce a valid VAT invoice or receipt, SOGB will not be able to reclaim the VAT input Tax from HMRC and this cost will have to be met from your delegated budget. It is therefore in the interest of your Department for you to obtain the relevant VAT invoices and receipts whenever appropriate.

When taking into account commitments and accruals (i.e. the value of orders placed but not yet received or invoiced) it is the figure exclusive of VAT.



## 5.2.12 Contractor and Consultants

SOGB has a legal responsibility to ensure it correctly applies and accounts for PAYE and National Insurance on payments made to individuals. In order to fulfil this responsibility it is necessary to assess the correct status of individuals being engaged to perform services.

**It is the responsibility of SOGB to determine the status and not the individual even if they consider themselves to be self employed or a contractor.**

An individual's status as an employee will affect not only PAYE Tax and National Insurance liabilities but a number of other issues. For example, an employee is entitled to a range of statutory payments, such as Statutory Sick Pay or Maternity Pay and holiday pay, whereas a self-employed person has no such entitlement. There are also other considerations relating to employment law, such as the entitlement to a notice period and redundancy pay.

Due to these requirements, if you are an employing manager you must perform a formal assessment for every individual you engage, to determine whether they should be considered as employed or self-employed. This assessment should be carried out for existing staff if they are being engaged in a capacity outside of their current contract of employment.

Payments to individuals engaged on a self-employed basis will only be paid once an assessment has been made and approved in accordance with HMRC requirements.

## 5.3 Payments to Employees

It is important that all payments are accurate, timely, valid, and made in accordance with individuals' terms of employment. Payroll transactions must only be processed through the SOGB payroll system.

### 5.3.1 Payment of Expenses

All travel and subsistence should be claimed in line with HR Policies and Guidelines and submitted on a monthly basis.

VAT receipts for fuel should be attached to enable SOGB to reclaim VAT from HMRC, thereby reducing costs. The fuel receipts should be sufficient to cover the number of miles claimed and must be dated prior to the journey being claimed. If you have not provided any relevant fuel VAT receipts the Force will incur the total cost, including VAT.

Receipts are required for all expenses claimed and should include VAT receipts whenever possible.

The individual authorising any such claims without a receipt should be satisfied that there is a legitimate reason that a receipt was not available (e.g. paying for parking using a mobile phone) and that they have seen all the available evidence (i.e. text message confirmation).

Air, ferry or train travel and hotel accommodation should be booked in advance and not claimed through expenses, wherever possible.

It is the responsibility of the certifying line manager to verify that all claims were properly incurred on behalf of SOGB, are additional to what the claimant would normally have incurred and they comply with the SOGB guidelines.



## **5.4 Bank Accounts**

**Any new bank account must be approved by the CEO or Finance Director/Controller before they can be opened.**

To assist with the management of bank accounts, specified staff will be allowed read only access to SOGB bank accounts. Access to accounts is restricted and can only be approved by the CEO or Finance Director/Controller.

All staff who have been given access are responsible for ensuring the security of their password information.

## **5.5 Income and Other Cash Deposits**

The Charity can receive income and other cash deposits from a number of different sources and may be in the form of cash, cheques or payments directly into the Charity's bank account. Income represents donated money due to the Charity's Charitable objectives. Other deposits are monies received where the Charity is acting as a trustee before passing the money onto other entitled Clubs or Branches.

All income should be banked into SOGB's Account and no other accounts unless approved in advance by the Finance Director or CEO.

### **5.5.1 Counting Cash**

All monies should be counted and checked in a secured environment by two members of staff. On no account should the cash be counted by a single person. If you are concerned that there will not be a second person available, you should contact your manager who must arrange for a someone to assist them.

### **5.5.2 Receiving Cash or Cheque Income for Goods and Services**

All monies received should be banked as soon as possible after the day of receipt, in the form in which it is received. We would only expect to see cash income for small value items, and very occasionally.

### **5.5.3 Administration Safe and Safe Book**

#### **5.5.3.1 Administration Safe**

Where possible, if your safe is in a secure room or cupboard, access to this should be restricted to the safe key holders. The safe and the secure room, or cupboard should be kept locked at all times and the key holders must accept responsibility to ensure they are locked after being accessed.

#### **5.5.3.2 Safe Book**

The safe book should be a lever arch type file using the Safe Book sheets and must be kept secure at all times. You should use sequential page numbers when you put a new sheet in the file.

All movement of cash into or out of the safe must be recorded in the Safe Book and signed for.

As a minimum the following columns should be completed:

- Reference Number ( a consecutive entry number);
- Date;
- Amount (if known);
- Cumulative Total; and
- Signature (signed by the person adding or withdrawing the cash).

You must keep a running total in order to provide a check on the total cash contained in the safe. This total must be ruled off and restarted from zero when the safe is emptied for counting and banking.

### **5.5.3.3 Safe Keys**

As a maximum there should only be two safe keys available, although this may be increased to three where a job share situation exists. One key should be kept in the possession of the staff member designated to use it on a daily basis. The second must be kept in a sealed envelope inside the key cabinet, to be used for emergencies only. To ensure the envelope is not tampered with two members of staff should sign over the seal.

The key cabinet should be kept locked at all times, with access restricted to a designated supervisor. No safe key should be left in unattended handbags or pockets.

Where a safe has a combination lock, only the staff member with responsibility for the safe should have this code. The combination must be changed when handing over that responsibility. In case of emergency, the code should be written on a piece of paper and sealed in an envelope as for the spare key above.

Where the designated key holder is not willing to keep the key on their person, a separate key cabinet must be used to store the key, only the key holder should have this code. The combination must be changed when handing over that responsibility. In case of emergency, the code should be written on a piece of paper and sealed in an envelope as for the spare key above.

### **5.5.3.4 Safe Handover**

A handover process must be carried out whenever the daily safe key is handed over to another staff member. The new key holder must check the contents of the safe against the entries in the safe book, in the presence of the current key holder. When the contents of the safe have been verified the new and current key holders must sign the safe book to show the date and time of the handover. This should be repeated when the nominated key holder returns.

It is accepted that due to meetings and breaks, there may be multiple need for handover, which would prove impractical. To avoid this, whilst the key holder is away from the office, a small petty cash float may be held outside the safe during this period. This should be a maximum of £200 and should be checked by both parties on handover. It is for urgent payments only, if the staff member is able to return once the key holder is back, this is preferable to ensure the float is available for urgent use.

### **5.5.3.5 Correct Use of the Spare Safe Key**

If the nominated daily use key holder is absent unexpectedly and a handover cannot take place, the spare key should be removed from the key cabinet and the envelope opened in the presence of two members of staff. They should then verify the contents of the safe against the safe book and sign it to show the time and date the spare key was used. When the daily key holder returns the normal handover procedures must take place and the spare key returned to the key cabinet in new signed envelope.

## 5.5.4 Banking of Cash and Cheques

All money received by SOGB should be banked at weekly intervals or more frequently if the amount justifies this. All officers and staff responsible for the banking of income must follow the general instructions as set out below.

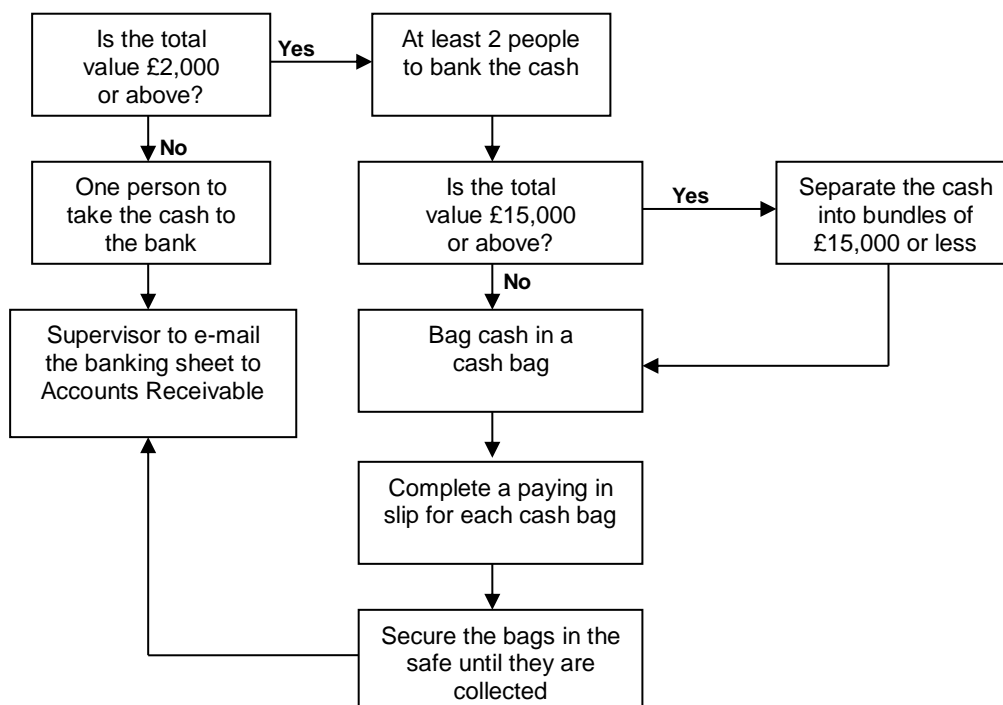
### 5.5.4.1 Preparing Cash and Cheques for Banking

Banking must be done whenever the cash and cheques in the safe reaches £2,000 or at least weekly.

The table below shows the checks and the authorisation required when preparing the cash for banking.

Document	Checks Required	Authorisation
Denominations Sheet	Agree the total with the running total from the safe book and banking sheet	Finance Manager to verify the totals agree and check that the total has been correctly entered on the paying in slip
Banking Sheet	Agree the total with the total cash counted and the running total from the safe book	
Cash Book	Agree the running total to the total cash counted and total on the banking sheet	

The flowchart below shows the process you should follow when deciding how the cash should be transported to the bank.



When Accounts Receivable receive the banking sheet they will review the coding, including the analysis and classification of VAT before entering the information onto the General ledger. The banking sheets will be used to reconcile to the bank statements.

Where a discrepancy occurs Accounts Receivable will notify you of this and send you the details as soon as they have been received from the bank.

Money should never be left unattended in the SOGB offices or vehicle and staff should be dropped as close to the bank as possible

#### **5.5.4.2 Action to Take Should a Cheque be Dishonoured or Bounced**

If a cheque is returned by the bank Accounts Receivable will reverse the entries and retain a photocopy of the cheque with the bank statement for audit purposes. Where it was in payment for an invoice the debt will be chased as normal but if it was for a local purchase they will forward a photocopy of the cheque and any supporting information to the relevant department. It is the responsibility of the Supervisor to ensure any supporting records document the return of the cheque and take action to obtain payment from the payer.

The cheque must not be given back under any circumstances unless cash is received or alternative payment arrangements made, as this is evidence that there has been a refusal (or inability) to pay and any subsequent attempt by the Force to secure payment (e.g. legal action) will be supported by that evidence.

Where alternative payment cannot be obtained and you are unable to withdraw the services, an invoice should be raised by Accounts Receivable.

#### **5.5.4.3 Cash Discrepancies**

Cash discrepancies can occur anywhere when money is handled. Where a cash discrepancy has been identified, or notification is received from the bank of a discrepancy, the procedure below must be followed.

1. The person who identified the discrepancy must inform the Finance Director/Controller immediately, or in their absence, a member of the Senior Leadership Team (SLT).
2. The Finance Director/Controller or SLT member must ensure that an independent reconciliation is performed for all monies held.
3. A full report on the discrepancy must be recorded within 7 working days, who will assess whether:
  - No further action is required;
  - A further assessment (investigation) is required; and/or
  - The CEO should be informed.
4. The full report on the discrepancy will be reviewed by the SLT who will determine whether to initiate a full review by Internal Audit.

#### **5.5.5 Raising Invoices to Charge for Goods and Services**

To raise an invoice to charge for goods and services you will need to complete an invoice requisition form. Accounts Receivable will issue a template for this. This should be completed with the following details:

- Business Area;
- Activity Code;
- Account Code (which must be an income code);
- Job number (if applicable); and
- VAT rate
- 

The form must be authorised in line with the approval limits contained in the Scheme of Financial Delegation and e-mailed to Accounts Receivable along with any necessary supporting documentation and calculations.

##### **5.5.5.1 Low Value Invoices**

Invoices should not be raised for less than £20 (excluding VAT) as it is uneconomical to do so, except for:

- Where there is a legal duty to provide an invoice (i.e. where the goods and/or services are subject to VAT).

The procedures you should adopt for charges up to this amount are either:

- If there are several smaller amounts chargeable to the same customer, these charges can be accumulated to form a composite invoice; or
- Obtain payment in advance and issue a formal receipt. The goods or services can then be provided and a note of the receipt number and date recorded for reference purposes.

#### **5.5.5.2 Amendment and Cancellation of Invoices**

If an invoice is to be amended or cancelled, a credit note should be issued. To request a credit note you should e-mail Accounts Receivable with the following information:

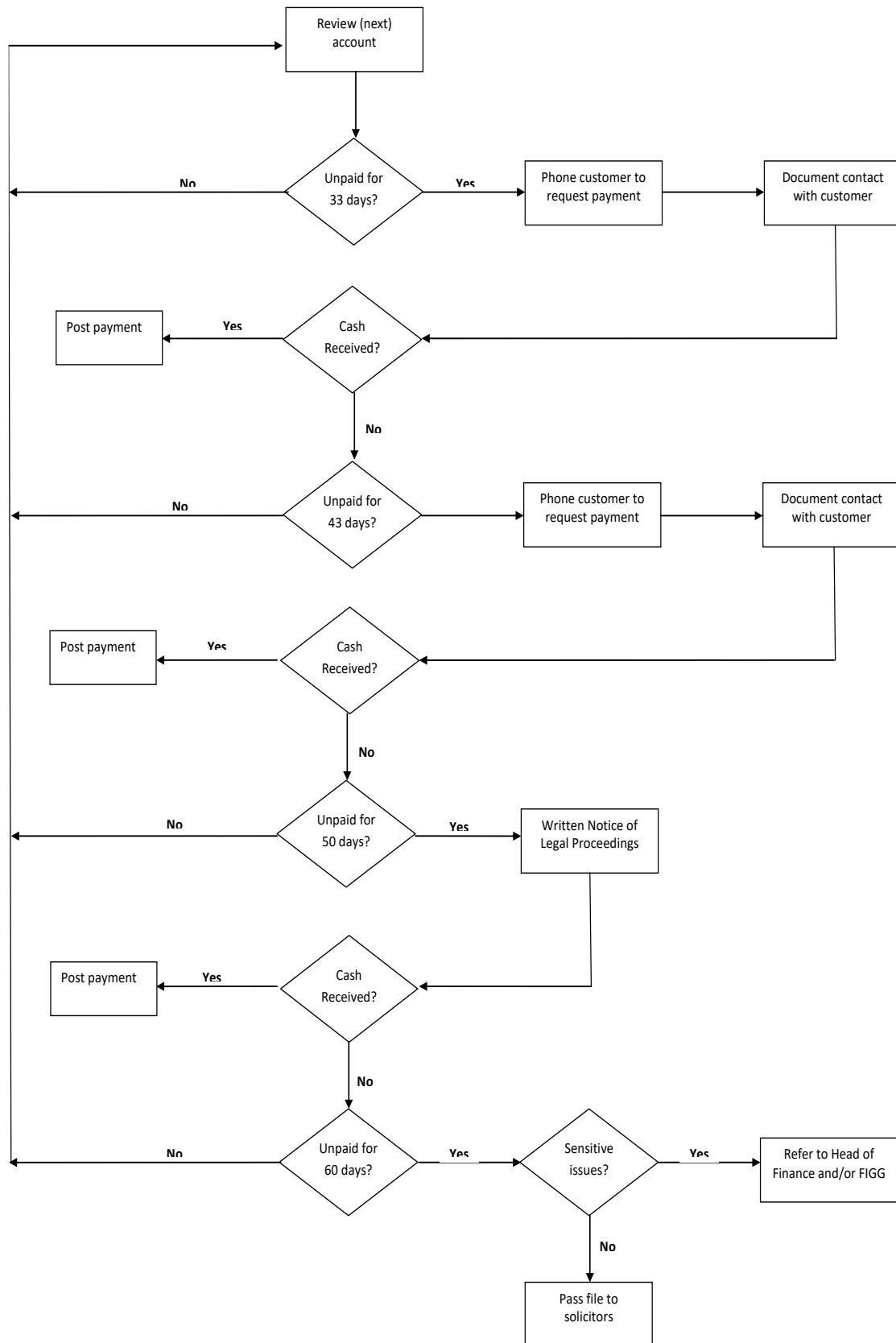
- Invoice number;
- Original invoice request number; and
- Full reason(s) for requesting a cancellation or amendment.

**If the amendment is for an increase to the amount charged, a new invoice requisition form must be submitted along with the details to cancel the old invoice.**

#### **5.5.5.3 Credit Control Procedures**

SOGB standard payment terms are that all debts must be settled within 30 days. Where debts are not paid SOGB will institute a debt recovery procedure. The flowchart on the following page shows the debt collection process.

**NOTE: flowchart requires amending**



## 5.5.6 Charging VAT on Goods and Services

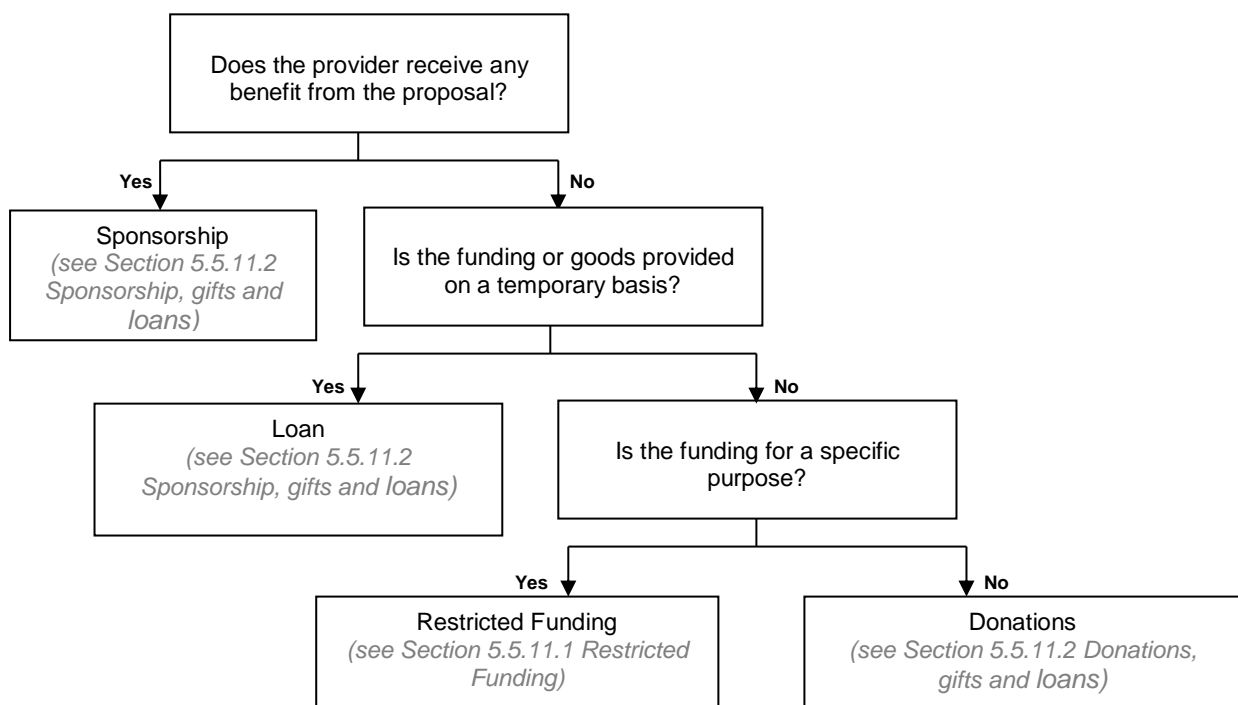
SOGB Promotions is responsible for deciding whether or not its income is liable for VAT. This is known as Output Tax. All Output Tax charged by Special Olympics should be in the name of SOGB Promotions and paid to HMRC. There is a separate income code for Output Tax and income will be credited to the relevant budget net of VAT.

Sales invoices must be raised for all income that is subject to VAT within 30 days as laid out in legislation by HMRC. A VAT rate must be assigned to each type of supply of goods and services. It is important that the VAT liability rate is referred to whenever an invoice requisition form is completed, to ensure that the correct VAT rate is applied.

## 5.5.7 External Funding and Sponsorship

**No agreements can be made or monies accepted until the relevant approvals have been obtained** - see Section 5.5.11.3 – Authorisation Process for External Funding and Sponsorship.

The flowchart below shows the process you will need to follow in order to categorise any proposal you may receive as external funding, sponsorship, gifts or loans.



### 5.5.7.1 Restricted Funding

Restricted funding is a contribution from an outside body for a specific activity, usually in the form of a grant. When considering funding proposals you will need to consider any conditions attached to the funding, to ensure that they are compatible with the aims and objectives of Special Olympics.

### 5.5.7.2 Donations, Gifts and Loans

These may take the form of:

- Donations

### **5.5.7.3 Authorisation Process for External Funding & Sponsorship**

All proposals must be referred to the Head of Fundraising before any bids or agreements are made.

For sponsorship, an additional check must be undertaken with Accounts to ensure that potential sponsors are not involved in any tenders or ongoing tender processes.

- **Sponsorship**  
An arrangement under which an outside organisation provides resources to SOGB, and through which the outside organisation receives some form of benefit in return. The benefit received by the sponsoring organisation usually takes the form of publicity or advertising (e.g. displaying the organisations logo on SOGB publications or assets).
- **Gifts of money**  
A gift is where an outside organisation provides resources to SOGB and receives no benefit in return. There are no restrictions on how SOGB can make use of the resources provided.
- **Loans of property or gifts of value in kind**  
A loan is where an outside organisation provides goods or services on a temporary basis to the organisation and receives no benefit in return. The use of the goods provided through a loan may be restricted as specified within a formal loan agreement.

### **5.5.7.4 Income and Expenditure**

Finance hold a table that shows the correct code to be used for each accounting segment:

All income must be receipted and paid into the relevant Account (eg Current, Restricted, World games) using the standard procedures for banking money and accounting records.

Where goods or services are to be ordered by SOGB, you should ensure that the necessary funds have been received before any orders are raised. All purchases must comply with the procedures detailed in *Section 5.2 – Ordering and Payment of Goods and Services*.

### **5.5.7.5 VAT Requirements**

Where the sponsor receives some benefit (e.g. publicity or advertising) in return for the sponsorship activity, in many cases this will render SOGB liable to account for input VAT. Gifts which are provided to SOGB (i.e. where the donor receives no benefit) are outside the scope of VAT.

## **5.6 Insurance**

Department Heads are responsible for ensuring that the Finance Director/Controller are notified of all new risks, properties, vehicles and other assets which may need to be insured and of any amendments which may need to be made to existing policies.

### **5.6.1 Claims by Third- Parties/Employees**



SOGB has always been insured against claims made by third parties and also its employees. Third parties can be members of the public (including contractors, visitors and detainees) or other organisations.

## 5.6.2 Motor Insurance

**It is everyone's responsibility to drive carefully and minimise the number of claims received.** Any vehicles on hire or loan to SOGB will only be used if fully comprehensive insurance cover is included.

## 5.6.3 Computer Insurance (Including laptops)

The cost of this insurance cover has risen dramatically. There is an excess for any claim made involving hardware/software and data losses, but currently portable IT kit, including laptops and palm-held devices, can be claimed for due to loss/damage and theft at a lower excess limit.

## 5.6.4 Property Insurance

SOGB holds basic insurance cover on all its' buildings and contents.

**It is everyone's responsibility to take care of Specialk Olympics property and to limit the number of claims on the insurance.**

A separate insurance policy is currently maintained for high value, portable items (excluding laptops), that may be used frequently off site. These items should be recorded locally on the 'All Risk Inventory'. This inventory must be reviewed annually and is copied to the Insurers, if required. The All Risk policy provides comprehensive cover against all types of damage and loss, including theft and allows for replacement of items on a like for like basis.

Any new equipment purchased should be recorded with values, makes and serial numbers. If you make any **major acquisitions** of equipment during the year but these are not shown on your current 'All Risk' inventory you should be notify the *insurers*.

Insurers when settling claims will require an invoice to prove the purchase of any replacement item, or necessary repairs, before payment will be made. They will often also request confirmation of the initial inventory entry and purchase invoices.

All insurance policies require that the insurers are notified of any potential claim within 30 days of the incident/damage or loss. Failure to do this could invalidate any future claim made. Please ensure you report instances promptly and that your Department Head is made aware.

***Failure to adhere to the notification process will invalidate any claim SOGB tries to make.***

## 5.6.5 Insurance

### 5.6.5.1 Motor

Report all motor incidents as soon as possible after the incident has occurred

SOGB does not own any vehicles, however, it hires or uses loan vehicles.

### 5.6.5.2 Material / Building Damage

All Material damage must be reported to the Finance Director/Controller. If a Third-Party is involved/causes the damage/loss you should obtain full details of the individual and any employing organisation and specifics of the incident, for use in any subsequent claim. This should include any CCTV footage and photographs of any damage caused.

### 5.6.5.3 Lost / Stolen Items

All lost or stolen items must be reported to the Finance Director/Controller. If a Third-Party is involved/causes the damage/loss you should obtain full details of the individual and any employing organisation and specifics of the incident, for use in any subsequent claim. This should include any CCTV footage and photographs of any damage caused.

### 5.6.5.4 Employee / Public Liability Claims

All Employee and Third Party / Public Liability incidents must be reported to the Finance Director/Controller

Any letters of claim or claim notification forms against the organisation **must not be acknowledged locally**. It is essential that you forward the original correspondence as soon as possible to Finance.

### 5.6.5.5 Travel

All staff that will be **travelling overseas on behalf of SOGB** must advise the Insurance Unit as a prerequisite to ensure essential travel insurance information is provided prior to the date of travel.

Any subsequent claims on the Business Travel Insurance Policy must also be reported so the claims' progress can be monitored.

## 5.7 Sundry Items

### 5.7.1 Inventories

All staff are responsible for the safeguarding of the organisation's assets. Finance is required to keep accurate and up-to-date inventories of all computers and other equipment available to and used by staff.

Additions, disposals and movement of assets must be recorded on the appropriate inventories as soon as possible after the event. SLT will review all inventories on a quarterly basis to ensure the Asset Register is complete and up-to-date.

### 5.7.2 Disposal of Assets

The table below shows the approval process to be followed for the disposal of Force assets.

<b>Asset</b>	<b>Approval Process</b>
Write off Stock Discrepancies and Disposals of Obsolete Stock, Equipment and Materials	All disposals to be submitted to the Finance Director/Controller for approval
Disposal of Items of Equipment	All disposals to be submitted to the Finance Director for approval

## **5.8 Financial Irregularities and Audit**

### **5.8.1 Financial Irregularities**

Where there is any actual or suspected irregularity in the handling of assets (cash, stores, equipment, etc) or in the financial affairs of the Charity (e.g. fraudulent expense claims), this must be reported to the Finance Director/Controller. He/she will make a decision on whether this is to be reported through the CEO or whether an investigation is required by the SLT.

### **5.8.2 External Audit**

Essentially, External Audit represents the public and is there to ensure the public's money has been spent appropriately and judiciously. They are responsible for auditing the Annual Accounts and to provide an opinion as to whether they present a fair position. External auditors have rights of access to all documents and information necessary for audit purposes. The Finance Director/Controller will co-ordinate all requests and transfer any information to the auditors.

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## **6. Associated Documents**

- Financial Regulations
- Scheme of Delegation
- Code of Governance
- Contract Standing Orders
- Financial Management Code of Practice
- Delegation of Authority

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## **7. Statutory Compliance**

### **7.1 Data Protection Act (1998)**

These Financial Instructions have been reviewed for compliance with the Data Protection Act in consultation with the Board of Trustees.

### **7.2 Equality Act 2010**

As part of preparing and reviewing these instructions, has given due consideration to the protected characteristics and has detected no implications that need to be addressed as part of these Financial Instructions.

Equality issues may arise in the exercise of specific functions (i.e. procurement of goods and the award of contracts) but these are subject to competition. Specific policies and procedures will need to be followed and it is expected that the Charity recognise its obligations arising from the Equality Act 2010.