

# **FINANCIAL PROCEDURE 5**

## **Income and Expenditure**

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

## CONTENTS

1. Purpose of the Procedure
2. Key Controls
3. Responsibilities of Chief Officers/ Statutory Officers /Members
4. Procedures
  - 4.1 Income
    - 4.1.1 Income Control
    - 4.1.2 Income Collection
    - 4.1.3 Receiving Cash or Cheque income
    - 4.1.4 Banking
    - 4.1.5 Monitoring
    - 4.1.6 Debtor Invoice
    - 4.1.7 Debt Collection or write off
  - 4.2 Ordering and payments
    - 4.2.1 New Supplier requests
    - 4.2.2 Ordering goods and services
    - 4.2.3 Receipt of goods and services
    - 4.2.4 Payments
    - 4.2.5 Late payments
    - 4.2.6 VAT
    - 4.2.7 Contract payments
    - 4.2.8 Payments in advance
    - 4.2.9 Payment requests and one-time payments
    - 4.2.10 Segregation of duties
    - 4.2.11 Direct debits
    - 4.2.12 Payments to employees and councillors
5. Related
6. Contacts for Advice or Assistance.

**Appendix A** - Incoming Payment methods

**Appendix B** - Terms and Conditions

**Appendix C** - Outgoing Payments timescale policy

**Appendix D** - Purchasing Options

# Financial Procedure 5 - Income & Expenditure

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## 1. Purpose of Procedure

This Financial Procedure will provide guidance on the financial policies and framework in place for ordering, making payments and for the collection of income due to the Council.

Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. The appropriate method of income collection depends upon the nature and timing of the transaction, and the status of the client or customer. It is preferable to obtain income in advance of supplying goods or services, or at the time of supply, as this improves the authority's cash flow and also avoids the time and cost of administering debts.

Public money should be spent with demonstrable probity and in accordance with the Council's policies. Local Authorities have a statutory duty to achieve best value in part through economy and efficiency. The Council's procedures should help to ensure that Directorates obtain value for money from their purchasing arrangements.

For the purposes of this procedure, Chief Officer refers to the **Chief Executive, Executive Directors** and **Chief Fire Officer**, and the **Chief Finance Officer** has **Section 151 responsibilities**.

## 2. Key Controls

For the collection of income, the key controls are:

- All income due to the Authority is identified and charged correctly, in accordance with an approved charging policy which is reviewed annually.
- All income is collected at the right time, using the correct procedures and the appropriate collection method.
- All money received by an employee on behalf of the Authority is paid without delay into the Authority's bank accounts and properly recorded within the Authority's financial system.
- The responsibility for cash collection should be separated from the responsibility for identifying the amount due and for reconciling the amount due to the amount received.
- Effective action is taken to pursue non-payment within defined timescales.
- Where there is a risk of non-payment a bad debt provision should be set up in the accounts in accordance with agreed definitions and accounting standards.
- Formal approval for amendments to debtor invoices is obtained (credit memos).
- Formal approval for debt write-off is obtained.
- Appropriate write-off action is taken within defined timescales.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

- Appropriate accounting adjustments are made following write-off action. All appropriate income documents are retained and stored for a defined period in accordance with the document retention schedule per the [Records Management Policy](#).
- Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.
- All Council income collected is paid into and accounted for correctly in the LCC accounts.

For ordering and payments, the key controls are:

- The purchase is legitimate and lawful.
- The purchase is within the budget and policy framework.
- All goods and services are ordered in accordance with the Council's Contract Procurement Rules.
- The purchase is authorised by an appropriate person and correctly recorded.
- Goods or services received meet the requirements of the authorised order.
- Payments are only made for goods or services received at the correct price, quantity and quality standards.
- The Budget Manager monitors all expenditure through their budget. This is of critical importance where segregation of duties is not in place.
- Payments are recorded accurately in the Council's accounts on a timely basis.
- Processes are in place to maintain the security and integrity of data for transacting business electronically.

### 3. Responsibilities of Chief Officers/ Statutory Officers /Members

The **Section 151 Officer** has statutory duties in relation to the financial administration and stewardship of the Council which cannot be overridden.

These statutory duties include setting and monitoring compliance with corporate standards and advising on the key financial controls necessary to secure sound financial management.

#### Collection of Income

- Each **Chief Officer** should establish the charging policy within their own area of responsibility, taking into account any statutory obligations and the appropriate charging of VAT where applicable.

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

- All such policies should be agreed in line with the Scheme of Authorisation to Officers, be subject to annual review and should be notified to the **Section 151 Officer**.
- **Chief Officers** have a responsibility to ensure that all income due to the Authority is identified and collected.
- Where consideration is being given to the introduction of charges for discretionary services or to utilising a trading power, the relevant **Chief Officer** must consult with the **Section 151 Officer** or the **Monitoring Officer** on all aspects of the proposal (i.e. financial, legal and personnel related) prior to seeking approval from **the Executive**.

## Ordering and Payments

### Responsibilities of the **Section 151 Officer**

- Ensuring all expenditure is lawful.

### Responsibilities of **Chief Officers**

- Ensuring that procedures for procurement are sound and properly administered.
- Ensuring that staff are aware of their responsibilities under these procedures and receive adequate training and guidance.
- Consulting with the Section 151 Officer and seeking approval on any matters liable to affect the Council's finances materially.
- Establishing the Scheme of Authorisation for their Directorate. The Scheme of Authorisation will detail where decision making has been delegated to members of staff and the financial parameters of that delegation.

### Responsibilities of all:

- To adhere to the key requirements.
- To declare any links or personal interests with purchasers, suppliers and/or contractors if you make contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.

## 4. Procedures

### 4.1 Income

Areas covered in this section are:

- Receiving income
- Banking
- Monitoring income
- Use of debtor invoices

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

- Debt recovery action.

The available methods of charging and income collection are (in order of preference):

- Direct Debit (see Appendix A)
- On-line payments (see Appendix A)
- Credit or debit card at the point of sale
- Payment card (Home Care charges)
- Periodic invoices
- Debtor invoices
- Cash or cheque (only where card/online/direct debit is not possible and following Income Team guidance).

Please follow LCC Retail Service guidance for all retail income per this [Logistics](#) link. For setting up a retail site, please use the following link. [Establishing a retail site](#)

Where income relates to schools or services using ParentPay, Bromcom, IRIS or online portals, these must be linked to the appropriate HeyCentric/ E-Return to ensure correct A/LC/M coding and reconciliation by the Income Team.

### 4.1.1 Income Control

When the Council is selling goods or services, wherever possible, an official order or contract should be obtained from the customer or client. A clear statement of the provision of goods/services and the required timing and method of payment must be provided.

Income should be collected as soon as it is identified as being due to the Council. This is usually immediately after the point of sale/ provision of service.

Consideration should be given to the appropriate method of collection for the income due. (**See Appendix A**).

Where digital or automated income systems exist (HeyCentric), these must be used instead of manual receipting.

Income should, whenever possible, be collected prior to the goods and services being provided to the customer. This benefits the Council's cash flow and avoids the cost of administering official debts.

When income cannot be collected at point of sale or by any of the methods described in Appendix A, an official LCC debtor invoice should be raised.

Where discretionary services/ goods are given to a business/sole trader/individual, then a debtor invoice should not be raised for amounts less than £50; such amounts should always be collected in advance or at the time of supply.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

However, when discretionary services/goods are given to a business/sole trader/individual for credit, use should be made of the Council standard Terms and Conditions of Sale of Goods or Supply of Services (**see Appendix B**).

To minimise the risk of loss, relevant documentation should be in place, prior to the supply of goods and services, e.g. Financial Assessment, Service Level Agreement, contract, between the Council and customer where:

- Credit exceeds a limit of £5,000; or
- Regular debtor likely to exceed £5,000 at any time.

The whole process of receiving and banking income should utilise the Finance System, Business World, and the Income system, HeyCentric, together with Sales Orders and E>Returns lodgement templates to ensure correct coding and reconciliation.

There are two procedures;

- Where a debtor invoice has been raised
- Where income is received outside of debtor invoices

These are undertaken by the Council's Accounts Receivable Team - Financial Services.

### 4.1.2 Income Collection

Income collected through online payments and payment card are collected by the Financial Accounting Team – Financial Services, with the Accounts Receivable Team – Financial Services responsible for the coding, routing and E-Return management of this income.

The Accounts Receivable Team – Financial Services will ensure the ERP systems are updated daily with payment feeds from the above systems. The daily bank-statement files are required to allow Income to clear the emails to [Income@lincolnshire.gov.uk](mailto:Income@lincolnshire.gov.uk) queries and also to complete income allocations within the same working day.

Income collected through Direct Debit, BACS, CHAPS are received directly into the Council's bank and the Financial Accounting Team – Financial Services will match income received with outstanding debts and reconcile to the Council's bank account.

The Accounts Receivable Team – Financial Services must be notified via the [Income@lincolnshire.gov.uk](mailto:Income@lincolnshire.gov.uk) email when large or unusual BACS items are expected, including school transfers and government grants, to ensure income is correctly identified.

### 4.1.3 Receiving Cash or Cheque income

#### General

The following is the procedure to be followed when cash or cheques are received by officers within Council Directorates, **LCC Schools** or by the Financial Accounting Team- Financial Services.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

Whenever operationally possible, there should be a separation of responsibility between the officers identifying amounts due to the Authority and the officers responsible for collection.

As part of its anti-money laundering procedures the Council will not accept any cash payments in excess of £1,000, unless approved by the Income manager or Money Laundering Reporting Officer. Please see the relevant guidance, [Anti money laundering policy – Introduction, definition and scope - Lincolnshire County Council](#)

At the point where income is first received, it should always be recorded on an agreed form of receipting record. This record should show (at a minimum) the date, the value and the identity of the officer who has received the income. Where a digital method of receipting exists, manual receipting must not be used.

There are a number of types of receipting record approved by the **Section 151 Officer**, such as manually completed, computer generated or till receipts, which may be utilised by the Council according to the form of and circumstances in which income is received.

### Official Receipts

When income is initially received, official receipts should be issued to all payers of cash income, and to payers of cheques upon request. Cheques should only be accepted if made payable to Lincolnshire County Council (or in the name of a school where a local bank account is operated) and should be endorsed on the reverse with the establishment name whenever possible.

All receipts issued should be accurate and, in a form, approved by the **Section 151 Officer**. The original receipt should be given to the payer, and a copy should be retained by the Council.

Receipts should show:

- The livery of Lincolnshire County Council
- Lincolnshire County Council VAT registration number

And the following should be recorded on each receipt when issued.

- A unique identifying reference
- Date received
- Name of payer
- A brief description of what the income is for (and/or Debtor Invoice number if applicable)
- Amount (value)
- Any VAT element is separately identified
- Form of payment (cash/cheque/PO etc.)
- Identity of the officer receiving the income on behalf of the Council.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

### Postal Remittance Book

Where a cheque/postal order payment is received in the post it is not necessary to issue the Payer with a receipt unless one is requested.

The information should be recorded on a Postal Remittance record. Whenever operationally possible, at least two officers should open the post. Both officers should endorse the Postal Remittance record.

### Tills

Receipts need not be issued where alternative systems are in operation such as Cash Register Tills or Admission Ticket systems. These are acceptable if these alternative systems operate in a way that is approved by **Section 151 Officer**.

Income from these systems must feed into the Income management system for the reconciliation process to take place.

### Sales Books

In cases where there are numerous and small value items of income collected on a regular basis (e.g. sales in a school classroom to pupils), it is not always practical to issue a receipt to cover each item. In such cases, a record may be used in lieu of receipts (e.g. a Classroom Sales Book). These records must be in a form approved by the **Section 151 Officer**.

### Other

At points where income is collected from the public (e.g. Libraries, School Offices, and Adult Social Care Area Offices, Museum shops etc.), signs should be displayed prominently that tell the Payer that they will be issued with a receipt for all cash payments that they make.

Where income is received in error that is not County Council income (e.g. money due to a District Council), it should be recorded in the Postal Remittance record. This record should be appropriately endorsed when the income is forwarded to the appropriate payee or returned to the payer.

It is imperative to bank income as soon as practically possible. The time that income is left unbanked must be kept to an operational minimum; normally five working days. The **Chief Officer** has a responsibility to ensure that all income is held securely to safeguard against loss or theft, and to ensure the security of cash handling.

All income received should be banked; it should be used for no other purpose. Under no circumstances should personal or third-party cheques be „cashed“ using unbanked income.

Receipting records should be clearly cross referenced to their corresponding banking records (and vice versa).

The number of Officers handling unbanked income should be kept to a minimum. When there is an operational need for income to be transferred between officers there should be a formal handover

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

process. Officers involved should agree the amount of income being handed over and evidence this action by signing & dating an appropriate record.

Schools must use the Cash Deposit Card assigned to their establishment, ensuring all deposits use the correct card reference to allow matching in the Council's Income Management system.

### 4.1.4. Banking

All Council income received should be banked in its entirety in the form in which it is received without delay.

Paying-in slips should identify who banked the income, where and when. Paying-in slips should identify cash and debtor invoice separately. Where the income relates to a debtor invoice then the invoice reference should be quoted on the paying-in slip to allow cross referencing to the corresponding receipting records.

Income should only be paid into the Council bank account or into a school bank account where the Local Bank Invoice scheme is in operation. Any other bank accounts used for Council income will be approved by the **Section 151 Officer**.

If more income has been received than is due (i.e. the Council has been overpaid) this income should be banked and a refund processed. All refunds will be processed centrally by the Council's Accounts Receivable Team - Financial Services, on receipt of a written request and must follow the Accounts Receivable Team's refund workflow, including payer validation, method-of-original-payment checks, and audit trail documentation.

All such requests must originate from the debtor or be authorised by an officer independent of the original allocation. In the case of official debtors, the overpayment can be offset against other debts the payer may have where policy allows.

Schools must ensure that all banking uses their assigned Cash Deposit Card and correct card reference, to enable matching in the Income Management system. Incorrect card usage results in unidentified income requiring manual intervention.

Income from providers such as ParentPay, Bromcom, IRIS, online and web-portals must reconcile through the appropriate E-Return template within the Income Management system. Manual deposit references must only be used where no automated method exists.

### 4.1.5. Monitoring

Regular monitoring must ensure that all income due is received and all income received is banked. The officers who carry out monitoring over the income system should not be the officers involved in the day-to-day receipting and banking.

Monitoring of income forms part of the budget monitoring required by Budget Managers, as set out in Financial Procedure 1 - Financial Planning and Management.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

All income collected and deposited should be reconciled to the Council's financial accounting system (finance system) or Income Management system (as applicable) and the Council's bank account.

Periodically, appropriate senior officers should carry out supervisory checks of income. This will include:

- A sample of banking transactions traced back to their corresponding receipts to ensure they agree.
- A sample of receipts agreed to bank records.
- Transactions have taken place on a timely basis.
- The sample size to be dependent on the volume of banking transactions.

Records showing income due should also be sampled and checked to ensure the income was actually received and subsequently banked.

Evidence that all the above checks have taken place should be recorded.

### 4.1.6. Debtor Invoice

The appropriate **Chief Officer** should ensure that details relating to work done, goods supplied, services rendered or other amounts due are clearly documented on the debtor invoice, and where the service is discretionary, that charges are at the agreed rate.

These details should be entered promptly into the finance system to ensure that invoices are sent out in a timely manner. Good credit management procedures will increase the likelihood of invoices being paid promptly and avoid the need for debt collection.

See further guidance per the Debtor Framework document.

Debtor invoices can be raised.

- before income is due (e.g. prior to goods or services being provided);
- when income becomes due (e.g. to facilitate payment of a grant from a third party);  when income is overdue.

When an Official Debtor Invoice is raised, the person or organisation named as the debtor becomes an official debtor of Lincolnshire County Council. This is important because:

- Official debts that remain unpaid will be followed up by the initiation of appropriate recovery procedures, including legal action where necessary.
- Accurate and complete name and address details, including contact telephone number and email address, should be held on the Customer Master Data account to ensure debt is collected appropriately.
- The Council's accounts should show all money owed by debtors.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

The official debtors' system shall be managed by the Accounts Receivable Team – Financial Services. They will support coding corrections, customer master data amendments and invoice disputes. No other debtor systems will be operated on behalf of the Council unless approved by the **Section 151 Officer**.

Once raised, official debts can only be cleared through:

- full payment
- payment by instalments with agreement of the Accounts Receivable Team – Financial Services
- a Credit Note
- and as a last resort, a debt write-off.

### 4.1.7. Debt Cancellation or write off

Once raised, official debts can be cancelled by:

- following the formal write-off procedure
- a formal credit memo request

In accordance with the Late Payment of Commercial Debts (Interest) Act 1998, Lincolnshire County Council is entitled to charge customers interest when payment of a debtor invoice is not made promptly. In practice, this will only rarely be applied and is at the discretion of the Accounts Receivable Team – Financial Services. The **Section 151 Officer** will be notified of any such cases on a monthly basis.

Where prompt payment is not achieved through the standard income collection processes carried out by the Accounts Receivable Team – Financial Services, the appropriate Officer responsible for raising the debt must assist in the collection of the debts.

They must:

- provide any further information requested, in a timely manner
- respond promptly to queries from debtors
- review outstanding debts regularly.

Where debts remain outstanding, the Accounts Receivable Team – Financial Services will alert senior managers of the relevant Directorate.

**The Executive** is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

Monthly reports and debtor dashboards are available to assist Directorates with monitoring their outstanding debts and an analysis of outstanding debt is also available on the financial accounting system. In addition, age debt reports are provided to Budget Managers on a monthly basis.

At the end of the financial year, bad debt provisions will be made for debts that have been outstanding for more than twelve months. The Council's Financial Accounting Team – Financial services is

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

responsible for ensuring that the appropriate entries are made within the accounts to recharge the debt to the relevant Budget Managers.

Once provision has been made, the debt is still actively pursued by the Council's Accounts Receivable Team – Financial Services. If the debt is subsequently paid, the Budget Manager will be credited.

Responsibility for the write-off of bad debts rests with **Section 151 Officer, Executive Councillor or Executive** as described below:

- Write-off of any debts less than £100,000 is approved by the **Section 151 Officer**.
- Write-off of any debts between £100,000 - £500,000 must be approved, by means of a formal decision, by the appropriate **Executive Councillor** in consultation with the **S151 Officer**.
- Write-off of any debt greater than £500,000 must be approved, by means of a formal decision, by **the Executive** in consultation with the **S151 Officer**.

The **Section 151 Officer** will be responsible for ensuring that appropriate accounting adjustments are made following any debt write-off process.

On an operational basis, accounting for bad debts and write-offs is undertaken by the Financial Accounting Team – Financial Services.

Credit Notes are strictly controlled and must be approved by an Authorised Officer other than the person who created the Credit Note. The Accounts Receivable Team – Financial Services maintain an Authorised Signatory list.

They will ensure that any income allocation or corrections relating to a credit note being raised are appropriately actioned on the relevant customer account.

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

## 4.2 Procedural Requirements - Ordering and Payments Background

This section highlights the responsibilities of officers and the controls they should consider when ordering, receiving and paying for goods and services on behalf of the Council.

This Section should also be read in conjunction with the Procurement Strategy of the Council and the Council's [Contract and Procurement Procedure Rules](#). These rules provide guidance to officers on all matters of procurement, such as the selection of suppliers and the procedures for obtaining quotations and tenders.

This Section informs officers of mandatory requirements, including those embodied in the Council's Constitution, and provides guidance on principles of best practice.

### Initial Considerations

Before any procurement takes place, officers should consider:

- The service needs and objectives – are the goods/ services required?
- Is funding available – sufficient balance on the budget?
- Best Value requirements – economy, efficiency, effectiveness
- What is available in the marketplace – make comparisons
- Does the supplier have a good credit rating.

In selecting the supplier, the Officer should take into account that LCC is a member Council of the ESPO consortium. This is a joint agreement with other member Councils who set up and operate the consortium for the purchase of goods and services for the mutual benefit of all. The use of ESPO via the catalogue or direct supplier contracts should always be considered first.

For some services, the use of standing lists and corporate contracts will be in force. The relevant **Chief Officer**, is responsible for ensuring that these lists are:

- made available to officers
- regularly reviewed
- all necessary criteria for inclusion on the list are met.

For purchases of £10,000 and below a single supplier can be approached; however, the purchasing Officer should still be satisfied that they are obtaining best value. The use of ESPO should always be considered in the first instance. The purchasing Officer may wish to check the market for indicative prices and quality.

For purchases over £10,000, the purchaser should refer to the Contract Procedure Rules. These set out the requirements, including obtaining written quotations, going through the full tender process and the EU procurement process.

#### 4.2.1. New Supplier Requests

If it is necessary to procure from a new supplier because an established supplier or contract does not exist, then it will be necessary to ensure the supplier is set up within the Council's ERP system before the order is placed.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

The only exception to this rule is when sundry bank accounts or procurement cards are used. In these instances, the names of the sundry bank account and card provider are the suppliers on the Council's ERP system.

Before requesting a new supplier to be set up, the requesting officers must assure themselves that:

- the supplier is bona fide and can be considered a reputable trader
- existing contracts have been adequately considered before approaching a new supplier.
- sufficient checks have been undertaken to ensure that the supplier has not already been set up on Finance system
- for suppliers of large contracts, the appropriate financial due diligence has been carried out to ensure the supplier is financially sound and can execute the contract.

For new suppliers, the appropriate set up form and verification is required to be completed and sent to the Council's Accounts Receivable (Masterdata) Team – Financial Services.

The most cost-effective way for a supplier to be paid is by BACS; for this to happen, it is necessary for both the supplier's bank account details to be entered into the finance system, together with a corresponding supplier email address, so remittances can be sent via. email.

Ensuring the correct bank details are obtained and recorded within the finance system is a key control area and reduces the risk that incorrect details could be set up, resulting in incorrect payments being made to suppliers.

The requesting Officer should.

- ensure that the standard letter is sent to the supplier requesting bank details.
- obtain all of the required information and this information must be attached to the new supplier request on receipt of the relevant task in Finance system.

If the supplier does not want to provide bank details, then a reason has to be obtained as to why cheque payments are required.

If a supplier is set up but hasn't been used for some time, it may be closed for use. If this is the case, the Accounts Payable (Masterdata) Team – Financial Services, will need to re-activate the supplier.

An email, showing the supplier's ID and name, together with up-to-date documentation from the supplier, should be attached. This information should include their name, address, email and bank account details on company letter headed stationery.

The Accounts Payable Team – Financial Services, will check against all suppliers and activate the supplier where necessary. This process ensures that the data held is up to date and reduces the number of returned payments.

All new suppliers must be provided with a copy of the Council's Whistleblowing Policy and guidance. [Whistleblowing policy – Scope - Lincolnshire County Council](#)

Before placing an order in the area of construction, repairs and/or maintenance, officers should ensure that the requirements of the Construction Industry Scheme (CIS) have been considered for the particular supplier (see Financial Procedure 3 – Accounting Records & Financial System, for detailed guidance).

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

Suppliers must have access to the Council's terms and conditions at the time of placing the order. The supplier is provided with the web site for these conditions when they receive a purchase order from the Council.

The Accounts Payable /Accounts Receivable (Masterdata) Teams will ensure the credibility of customers and suppliers held on the core financial systems

### 4.2.2. Ordering Goods and Services

#### Procurement Card

Wherever possible goods and services should be purchased by raising a purchase order through the finance system, in advance of placing the order, however, for some specific purposes it is impractical to raise an order therefore the Lincolnshire Procurement Card (PCard) can be used as this will provide a more effective method of payment.

**APPENDIX D** explains in more detail the types of purchases the PCard can and cannot be used for. When using the PCard, card holders should always refer to the Council's [Procurement Cards](#) policy for advice.

#### Purchase Orders

The purpose of the purchase order is to:

- comply with LCC's No Purchase Order No Pay policy
- formally notify the supplier of requirements
- provide the Council with a control over procurement
- provide a commitment against budgets
- inform the supplier of the Council's terms and conditions.

An official quantity-based purchase order should always be issued to the supplier except in the following circumstances:

- for ongoing commitments, an annual order can be raised via the Finance system value order process
- Procurement Card purchases
- purchases for reimbursement through a sundry bank account account (for more information refer to Financial Procedure 4 – Control of Resources (Treasury Management Section))
- for those categories of spend exempt from LCC's No Purchase Order No Pay process

The link to the [Lincolnshire County Council supplier guide](#) provides all suppliers with the process to be adopted when goods or services are ordered.

Each official order or formal contract shall indicate clearly the nature and quantity of the work, goods, materials or services. It should also show the agreed value or price, any trade discount or allowance, together with any reference to a quotation, tender or other arrangement. Orders should specify delivery to a Council address.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

Orders must be raised against the correct cost centre and account code.

Access to the finance system to authorise a purchase order is restricted in line with each Directorate's Scheme of Authorisation.

Orders must not be changed after issue to the supplier. If additional items are required, then a new order must be raised. Item lines on a purchase order that are no longer required/ available should be terminated by a Primary Requisitioner. If items are no longer required, then the supplier must be advised of this separately. See the Business Process Procedure for amending/ deleting purchase orders for more information: [Requisitioning and Suppliers](#)

Outstanding orders must be reviewed on a regular basis and appropriate action taken to either secure the goods or cancel the order.

Official orders should not be raised for any personal or private purchases.

### **4.2.3. Receipt of Goods and Services**

Responsibility for checking that goods and services have been received should be clearly defined within the Directorate Scheme of Authorisation.

The Officer with responsibility should ensure that when goods or services are received, they agree with the order, delivery note or equivalent record.

Evidence of the check on goods or services received should be recorded. Each line item on Finance system should be goods received to indicate which goods /services have been received on a timely basis.

If no goods receipt has been performed, then Finance system will generate a Missing Goods Receipt task. The Officer processing the task needs to assure themselves that all the goods/ services on the invoice attached to the task have been received before processing it.

If all goods or services are not received at the same time, partial goods received should be recorded on the finance system so that only part payment is made.

As identified under the ordering section of this procedure, a Finance system value order can be used when there is a need to pay multiple invoices of varying amounts over a period of time to an individual supplier. When an invoice is received on Finance system, if a missing goods receipt task is generated for the value order, then goods and services should still be checked thoroughly before the task is processed.

If for any reason goods received do not meet the required standards, and a decision is taken to return the goods to the supplier, evidence of goods returned must be kept. The invoice should not be processed, and a credit note should be requested for any returned goods. If goods are returned after the invoice is processed, then it is the responsibility of the Budget Manager to ensure that a credit note is received and processed promptly.

When goods are received, all appropriate entries must be made immediately to the inventory and stock records.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

Payments cannot be made until goods have been receipted on the financial system.

### 4.2.4. Payments

Invoices must be submitted by the supplier, via email, to the Accounts Payable Team at invoices@email address. [Lincolnshire County Council supplier guide](#)

The following controls must be observed:

- the value of the purchase order should not be increased. If it is less than the invoice amount, an automatic adjustment is made in the finance system between the committed and actual expenditure to avoid the need to adjust the order value.
- Supplier invoices must contain all the information as for any VAT invoice.

Officers with responsibility for processing supplier Invoices or Missing Goods Receipt tasks should satisfy themselves that:

- a proper VAT invoice has been presented for payment
- the work, goods, materials or services to which the account relates have been received, carried out, examined or approved and are of acceptable quality and standard
- the goods, services or work complies with the order
- any difference between the value of the original order and the invoice is legitimate
- invoices are registered correctly on Finance system
- the invoice is arithmetically correct. The price charged is correct and appropriate discounts have been taken.
- the invoice represents a bona fide payment demand and has not been previously paid
- the invoice is for a debt owed by Lincolnshire County Council (LCC) and LCC is shown as the debtor on the invoice.

If authorisation is required within finance system, the Officer authorising payment should bear in mind the following matters:

- the payment is legal
- the payment represents value for money
- tax has been properly accounted for (see Financial Procedure 3 – Accounting Records & Financial Systems)

### Off-payroll intermediary's legislation IR35

The Council has responsibility to assess whether a worker who is engaged/ contracted through off payroll working arrangements, including agency workers, personal service companies, self-employed and consultants are paying income tax to HMRC direct from their employer. [Agency and other off-payroll working – Professional resources](#) provides the relevant guidance.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

In cases where this is not the case, it is the Council's responsibility to deduct tax and NI, and pay employer's NI and apprenticeship levy, where appropriate, if the worker is found to be covered by this legislation. (See Financial Procedure 3 – Accounting Records & Financial System).

### 4.2.5. Late payments

To meet the requirements of the “Late Payment of Commercial Debts (interest) Act 1988” and the Council's payment terms, the policy is to pay suppliers within 30 days of receipt of the invoice. This has been converted to 28 days from the invoice date (unless other contractual conditions apply) as this is the date recorded on Finance system.

Any interest incurred under the Act will be recharged to the cost centre of the original payment. In order to avoid late payment fees, it is imperative that users process goods receipt, supplier invoice and missing goods receipt tasks promptly. Finance system calculates the payment date based on the invoice date and the payment terms set up against the supplier.

Most suppliers will be set up with payment terms which generate a payment 28 days from the date entered for the invoice.

Other payment terms are available to take account of special requirements.

It should be noted that early payments have a negative effect on cash flow and should only be requested where there is a tangible benefit (such as a prompt payment discount).

Where there is a need to make an earlier payment, this should be notified to the Council's Accounts Payable Team - Financial Services by completing the Payment Terms Change Request form. [How to change supplier payment terms](#). If the reason is justified, they are authorised to amend the payment terms for individual transactions (**See Appendix C – Payment Timescale Policy**).

### 4.2.6. VAT

VAT invoices must not be amended. In the case of a VAT error on an invoice, a credit note and/ or replacement invoice should be requested from the supplier.

### 4.2.7. Contract Payments

This is where a contract provides for payment to be made by instalments.

Payments to contractors on account should be made on a certificate which should show the total amount of the contract, value of work to date, retention sums, amount paid to date and amount certified to be paid.

Checks required against these certificates are the same as for any invoice. The certificate should be signed by an appropriate qualified and authorised signatory.

### 4.2.8. Payments in Advance

Under normal circumstances payment will only be made after goods and services have been received.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

In a limited number of instances, it may be necessary to pay for goods and services in advance. The risk in doing this is that:

- The supplier may fail to deliver goods or services (e.g. in the case of bankruptcy)
- In disputes, payment cannot be withheld

These risks should be taken into account when initiating an advanced payment transaction. Checks must be undertaken to ensure that goods or services are received.

### 4.2.9. Payment Requests and One Time Payments

Payment Requests and One Time Payments are for processing non-commercial payments that are not supported by a purchase order or invoice. Both are requested and authorised within the finance system.

Payment Requests are for use where the supplier exists within the finance system. One Time Payments are for processing one off payments where the supplier is not on the finance system and no further payments are expected to be made.

Neither Payment Requests nor One Time Payments can be used to bypass the ordering process. They are to be used to generate payments for contributions to other public bodies or grant payments to service users etc.

The authorising officer has the responsibility of ensuring that the Payment Request/One Time Payment is necessary and is for a bona fide transaction.

The general principle is that all goods and services will be procured using

- a purchase order
- a procurement card
- sundry bank accounts

### 4.2.10. Segregation of Duties

Segregation of duties is a key control within the ordering and payment process. In general, it is important that there is a separation of duties between ordering and payment. Wherever possible the following duties should be carried out by different officers:

- Maintenance of any master supplier list
- Authorisation of order or equivalent document
- Evidence that goods or services have been received
- Authorisation of invoice
- Production of actual payment

The processing of the payment run is undertaken by the Accounts Payable Team - Financial Services.

The introduction of self-authorisation increases the risk of unauthorised expenditure being incurred. To compensate for the reduction in control, it is essential that **Budget Managers** monitor expenditure

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

charged against their budget on a regular basis. Financial Procedure 1 – Financial Planning and Management provides further guidance on Budget Manager responsibilities.

The finance system has embedded controls to help protect against the risk of unauthorised payments being made. These include role-based access restrictions, workflow approvals, automated invoice-PO matching, duplicate invoice detection. Then external to the finance system controls, we have agreed business process and audit logs.

### 4.2.11. Direct Debits

Staff are not permitted to set up their own Direct Debits to pay suppliers. Please contact the Treasury Manager within the Financial Accounting Team – Financial Services for further support.

### 4.2.12. Payments to Employees and Councillors

Payments to Employees and Councillors

To ensure good practice is followed when making payments to employees and/or Councillors the following criteria should be met:

#### Employees

- An appropriate staffing strategy and policy is in place where staffing requirements and budget allocation are matched.
- With the advice and support of Strategic Finance Leads - Financial Services, Budget Managers have procedures in place to project staffing requirements and associated costs.
- Controls are implemented to ensure that staff time is used efficiently and to the benefit of the Council.
- Checks are made by the Appointing Officer prior to employing new staff to ensure employment regulations are complied with, and that they are genuine, appropriately qualified, experienced and trustworthy.
- Checks are made by the Budget Manager to verify that all staff payments are correct and only made to genuine employees.

#### Councillors

- A statutory register of allowances paid to Councillors is maintained and open to members of the public who are local government electors in Lincolnshire for inspection
- Guidance is available to Councillors and officers of the allowances scheme agreed by full Council
- Proper authorisation procedures are in place in relation to new councillors, leaving councillors and variations
- Claims are submitted, checked and paid based on the approved Council Scheme and that all payments are made via the Councils finance system and included in the accounts.

#### Responsibilities

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

The responsibilities of the **Section 151 Officer** are:

## Employee Payments

- To ensure that budget provision exists for existing and new employees.
- To provide a system that can be used to generate accurate payments to employees, in line with relevant employment regulations, and to meet statutory requirements of HMRC.
- Provide a system that can maintain accurate employee details
- Provide advice in relation to National Insurance and Pension contributions.

## Councillors Payments

- To make arrangements for the payment of Councillors expenses upon the receipt of an appropriate claim, duly completed and authorised.
- To ensure all appropriate statutory deductions are accurately collected and paid over to the relevant statutory body on a timely basis.

In practical terms, Human Resources and the Pensions Team will provide advice on these matters

The responsibilities of **Councillors** are:

- To inform the Section 151 Officer of any changes that may affect the payment of monthly allowances.
- To submit claims for expenses, monthly, as appropriate

## Employed and self-employed status

Managers must consider when utilising an individual to undertake work for the Council whether they should be treated as an employee for income tax & NI purposes. (see IR35 guidance above)

Information in relation to statutory deductions is included in Financial Procedure 3 – Accounting Records & Financial System.

## Recruitment

The Authority may only recruit staff where the post is part of the approved establishment. In addition, it may be appropriate to make appointments on temporary or fixed term contracts where the end of the contract is determined by specific conditions such as:

- Maternity leave
- Completion of a specific task
- Limited funding for a post
- Long term sickness

Procedures to be followed for staff recruitment may vary according to the type of employee and the terms and conditions under which they are employed. Detailed information is available to managers within the following:

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

- LCC Employment Manual [Employment policies – Lincolnshire County Council](#)
- Schools Personnel Handbook [Schools employment manual – Professional resources](#)
- Fire Brigade Orders [Firefighter recruitment – Lincolnshire County Council](#)

These documents should also be referred to for policies and guidance in respect of contractual changes or termination.

Reference and advice should also be sought from the appropriate HR advisor.

Documents issued to begin, change or terminate payments to employees will only be accepted when authorised by an appropriate officer in line with individual Directorate Schemes of Authorisation.

Notifications of appointment change or termination must be provided to the Council's Payroll Team on a timely basis. This is to facilitate payment to staff at the correct rate and to ensure that overpayments do not occur as a result of delays in the Council providing information.

It is the responsibility of all **Budget Managers** to check the staffing costs for which they are responsible monthly, to verify staff are being paid correctly and that payments are only being made to individuals currently employed by the Council. If any anomalies are identified these must be clarified with the Council's Financial Services Provider Payroll Team in the first instance.

### **Staff pay and expenses claims**

Pay and expenses may only be claimed in accordance with an employee's terms and conditions. Details are included within the manuals and handbooks listed above.

### **5. Related Documents.**

The following can be located on the Council's Intranet:

- The Council's Constitution [Constitution – Lincolnshire County Council](#)
- Individual Directorate Schemes of Authorisation [Part 3](#)
- Legal Department [Terms and conditions for good and services purchase orders](#)

### **6. Contacts for Advice or Assistance.**

Advice on this financial procedure can be sought from Financial Services.

Contact details for advice can be found within Financial Information Section on the Council's intranet.

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

## Appendix A

### PAYMENT METHODS

#### 1. Lincolnshire Online Payments

Lincolnshire County Council (LCC) has developed a Corporate Online Payments system, which is helping to improve public access to LCC's products and services. The system allows customers (the public) to pay for products and services using the Internet, or by phoning the Customer Service Centre, using debit or credit cards. A second phase implemented Chip & PIN functionality for face-to-face transactions.

The Online Payments system is made up of two separate elements.

#### Online Payments

[Online Payments – Lincolnshire County Council](#)

This is the customer-facing website that customers' access, and provides the following:

- The ability to provide services 24/7 anywhere in the world
- An online shop with shopping cart, which allows the public to select and purchase a range of goods and services
- The ability for LCC staff (CSC) to process telephone orders on behalf of the public
- An order processing and tracking system which notifies system users within LCC about new orders, and allows them to update and monitor the progress of those orders
- An order tracking facility which allows the public to view their account and transaction history, and leave feedback for LCC
- A flexible system that allows us to add and remove users and products as required

#### Secure Online Payments

[Lincolnshire County Council | Payments](#)

This is the system which processes card payments securely on behalf of LCC. This system provides the following:

- A secure facility for customers (the public) to pay for LCC's products and services online, via the Internet or via the CSC, using debit and credit cards.
- A managed service that securely stores customers' card details outside of LCC's servers, thus meeting banking regulation security requirements.
- The ability for LCC staff to have 'real time' access to customer transactions and perform refunds if required.
- An automated feed of transaction data into BW, removing the need for manual inputting, thus minimising errors.

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

## **2. Direct Debit**

The Council has introduced Direct Debit for the Adult Charging System. To pay by Direct Debit the council asks the service user to complete a Direct Debit "mandate" form and return it to them. It is then sent to the service user's bank or building society so that the direct debit can be set up.

The Council will then receive regular payments directly from the service user's account without the need for further action by the service user

Every four weeks the Council's Accounts Receivable Team - Financial Services, will write to the service user to inform them of the amount it will be taking from the account. This letter and statement will always be sent at least 14 days before any amount is taken from the account.

## **3. Payment Card**

Payment cards allow for Adult Charging to be paid in cash at a payzone point i.e. the local post office or shop.

The council will through the card provider, arrange for a payment card to be issued and payment with the card to pay for care can start immediately.

The service user can choose the frequency and amount of the payment, but they are advised to keep up with their payments. To help with this, every 4 weeks the Council's Financial Services Provider, on behalf of the Council, will send a statement detailing the amounts paid and the amounts which have been charged for that period.

Additionally, the statement will detail the running balance of payments to date so that the current amount outstanding is known.

The Council's Accounts Receivable Team – Financial Services, monitors balances and follow up outstanding debts or arrange refunds when required. Where required payments are not made the debt will be referred for debt recovery.

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

## Appendix B

### LINCOLNSHIRE COUNTY COUNCIL

#### TERMS AND CONDITIONS OF SALE OF GOODS OR SUPPLY OF SERVICES

The terms and conditions detailed below are those under which the authority and the Customer will trade and all future supply and payment for the supply will be in accordance with these terms and conditions until further notice is made in writing by the Council.

#### DEFINITIONS

“The Authority” means Lincolnshire County Council, its officers and agents.

“The customer” means the person, firm or company purchasing goods or services.

“The price” means the sum specified by the Authority

“The Supply” is the collection of goods by the customer or his agent, or the delivery of the same of the supply of labour or labour and materials. Where a “supply” is under the terms of a contract, “supply” may be in part, as referred to in the contract.

#### PROPERTY OF THE GOODS

Ownership of the goods which are the subject of this contract shall not pass to the Customer until they are fully paid for, and the title in goods may not be sold or otherwise passed to a third party until such time as payment is made to the Authority, but the risk in the goods shall be borne by the Customer from the date of collection, or delivery by the Seller (or their carriers) to the Customer.

In the event that the full price of the goods is not paid by the Customer by the due date the Authority shall, at their absolute discretion, be at liberty either to recover the goods or maintain an action for the price.

For all purposes the Customer hereby grants to the Authority an irrevocable lien on the goods until the price is paid and permits the Authority or its agent's access to recover the goods wheresoever they are situated.

Without prejudice to the foregoing, the Authority may maintain an action against the Customer for any loss and / or damage suffered in consequence of the Customer's failure to complete the contract or pay the price for the goods.

#### TERMS OF PAYMENT

Payment shall be made to the Authority:

- Before provision of consideration of goods and services (cash with order)
- When goods are released or services provided (cash on delivery)
- A deposit of 50% of the total price will be required on signing an order for the goods required and the balance of the purchase price for such goods will be payable on delivery – often used for a special order to customer's unique specification.
- At agreed stages through a job with large capital outlay

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

- For previous delivery before current delivery is handed over - mainly for regular deliveries

Time of payment shall be of the essence and failure by the Customer to make payment as aforesaid shall entitle the Authority to:

- Treat such a failure as a repudiation of the whole contract by the Customer
- Require the Customer to make immediate payment of all monies due or to become due, and to charge interest at 2% per annum above the Base Rate of Barclays Bank on the amount outstanding from the date of the supply of the goods / services (or from submission of the invoice).
- Recover from the Customer real damages for breach of contract
- Use any money due to the customer for whatever purpose to pay or part pay any outstanding debt due to the Authority
- Withhold further credit and deem any contract with the Customer requiring further supply invalid
- Take County Court / High Court action to obtain payment without further notice, and seek administration order / bankruptcy order / winding up order in satisfaction of the debt

## **DETERMINATION OF CONTRACT**

If the customer:

- Ceases to pay his debts in the ordinary course of business Or
- Cannot pay his debts as they become due Or
- Being a company is deemed to be unable to pay its debts, or has a winding up petition issued against it, Or
- Being a person, commits and act of bankruptcy petition issued against him

The Authority, without prejudice to other remedies shall have the right to determine the contract or any unfulfilled part of it forthwith and shall be entitled to charge for work (already carried out or not) and materials purchased for the Customer, such debt to be an immediate debt due, and in respect of all unpaid debts due from the Customer have a general lien on all goods and property in the Authority's possession (whether worked on or not) and shall be entitled, on the expiration of fourteen days' notice, to dispose of such goods or property in such manner and at such price that the Authority thinks fit and to apply the proceeds towards such debts.

## **GENERAL**

A qualification or complaint about goods or services must be made no later than seven days from the supply of the same.

I agree to the above terms and conditions

Signed .....

Name .....

Position .....

On behalf of .....

Address .....

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

## Appendix C

### LINCOLNSHIRE COUNTY COUNCIL

#### PAYMENTS TIMESCALE POLICY

Payment is defined as the production of a BACS or cheque payment to a specific supplier via the financial system.

#### OBJECTIVES

- To ensure that management and staff are aware of the Council's payment terms and procedures.
- To ensure that all undisputed bills are paid on time, in accordance with Central Government standards set for the Council.
- To ensure that complaints, disputes and queries are dealt with promptly.
- To ensure that there is no detrimental effect to the Council's cash flow as a result of making payments earlier than necessary.

#### STANDARD TERMS AND CONDITIONS OF CONTRACT WITH SUPPLIERS

The Council states within its conditions of contract with suppliers that its payment terms are within 30 days of receipt by the Council of a valid invoice. The supplier is provided with the web site for these conditions when they receive a purchase order from the Council.

The Council's Payment Policy is intended to achieve general compliance with these standard credit terms. The Council must also comply with the Late Payment of Commercial Debts (interest) Act 1998 and the Reporting on Payment Practices and Performance Regulations 2017, which were further amended in both 2024 and 2025.

#### PAYMENTS POLICY

Payment of undisputed invoices is to be made on the 28th calendar day (or next working day) from the invoice date, unless:

- Earlier payment is appropriate or,
- Later payment is specified.

Note: the difference between the 28th calendar day and the 30 days mentioned above is to allow time for the payment to be received by the supplier (two days for clearance of BACS and postage of cheques).

#### EARLIER PAYMENT JUSTIFICATION

It is recognised that in certain circumstances a shorter payment period is necessary or justifiable for certain regular payments. The Treasury Manager has approved categories of supplier and other criteria where shorter payment terms are acceptable.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

Payments to any other supplier must follow the standard 28-day payment guidelines. Proposals for any further supplier classification to be included in the earlier payment justification list should be put forward to Karen Tonge (Treasury Manager) for approval. [Karen.tonge@lincolnshire.gov.uk](mailto:Karen.tonge@lincolnshire.gov.uk)

### LATER PAYMENT PROCEDURE

If payment terms have been agreed with a Supplier which are longer than the standard 28-day payment terms of the Council, then payment should not be made to the supplier before the established due date.

To ensure this, the Accounts Payable (Masterdata) Team – Financial services, should be contacted on [suppliers@lincolnshire.gov.uk](mailto:suppliers@lincolnshire.gov.uk) to request a change to the payment date. The payment will then be released on the appropriate due date.

### PROCEDURE TO SET UP A NEW SUPPLIER MASTER DATA RECORD

When setting up a new master supplier record, please refer to the Supplier Creation and Maintenance user process guide. This can be found using the following link. [Complete new supplier creation form - Original.docx](#)

New suppliers are requested by submitting a new supplier request within the finance system. The supplier will not be available for use until it has been authorised and then approved by the Accounts Payable (Master Data) Team – Financial Services.

Payment terms once set up on the master record, will apply to all future invoices entered and not just the initial invoice for payment.

If an alternative payment period is requested other than the standard 28 days, then a business case must be provided to support the non-standard terms chosen.

### PAYROLL SUPPLIERS

Employees of Lincolnshire County Council can be set up on the finance system as 'Payroll' Suppliers in order to receive net pay payments and payroll expenses. These Payroll Suppliers fall outside the general creditor supplier system and are set up and controlled under HR guidelines. Employees should not be set up as general creditor.

However, if an employee is also a genuine creditor for the supply of goods and services to the Council, a creditor supplier should be set up for the employee concerned. In other words, if an employee has a separate non-employment relationship with the Council, they can be set up as a supplier.

### PAYMENT PROCEDURE VIA FINANCE SYSTEM

The finance system will calculate the due date for payment of invoices, using the date entered as the invoice date, then picking up the payment terms of the supplier held on the master record.

For example, for a supplier set up with payment terms of 28 days, a payment will be generated 28 days from the date of the invoice as entered onto Finance system.

# Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

## **OVERRIDING OF PAYMENT TERMS FOR 'ONE-OFF' OCCASIONS**

On certain one-off occasions, it may be necessary to override the payment terms of a supplier. These occasions may include:

- where the Supplier has offered a one-off discount to receive payment early
- where the incorrect invoice date has been entered into FINANCE SYSTEM and has been posted

On these rare occasions it is possible for the payment terms, for an individual payment only, to be overwritten by the Accounts Payable Team – Financial Services, to force an earlier payment to be produced.

It must be stressed that this route should only be taken in exceptional circumstances and should be requested by using the email, [suppliers@lincolnshire.gov](mailto:suppliers@lincolnshire.gov)

## **SCHOOLS**

In operating either local payment arrangements through their own bank accounts or in utilising the centralised finance system function, schools are requested to observe the policies and practices outlined in this note. This will ensure all parts of the Council operate a consistent policy in terms of supplier payments, which meet the expectations placed upon this Council by Central Government.

**Issued on behalf of the Executive Director of Resources.**

**21 October 2010**

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

### Appendix D

QUICK GUIDE TO PURCHASING OPTIONS	FINANCE SYSTEM Quantity (standard) order	FINANCE SYSTEM Value order	Emergency Purchase Order	Payment Request/One Time Payment	Procurement card	Sundry Bank account
Items purchased through ESPO or another approved supplier	✓	X	X	X	X	X
Regular payments through contracts	X	✓	X	X	X	X
Items purchased from suppliers who do not accept the finance system (BW) orders	X	X	X	X	✓	✓
Goods or services required immediately	X	X	✓	X	✓	✓
Items purchased through the Internet	X	X	X	X	✓	X
Non-commercial payments where the supplier does not issue an invoice	X	X	X	✓	✓	X
Low value items purchased through local suppliers (up to £1,000)	✓	X	X	X	✓	✓

Clarify the different purchasing options and their purpose

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

**The list below is not exhaustive but provides an overview of the requirements.**

<b>Purchasing Option</b>	<b>When to Use</b>	<b>When not to use</b>	<b>Examples of when to use</b>	<b>Examples of when not to use</b>
Standard BW Orders	For goods or services where a request is sent to the Supplier.  To formally notify the supplier of requirements.	When goods or services are provided by a contract and not requested.  When ordering face to face or by telephone.  Purchases from Sundry bank accounts.  Purchases with a procurement card.	Purchasing from ESPO or other approved suppliers.	Payment of invoices for utility bills, phone charges, subscriptions or other contracts.
Framework BW Orders	For goods or services where a request is not sent to the Supplier.	Purchases from sundry bank accounts.  Purchases with a procurement card  Whenever goods or services have to be requested from a supplier.	Payment of invoices for gas, electricity, water bills , telephone charges, subscriptions or other contracts such as rates, rents / leases for property, photocopiers etc.  When there is a need to pay multiple invoices over a period of time, usually a year, to an individual supplier.	Purchases from ESPO or other approved suppliers.

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

Purchasing Option	When to Use	When not to use	Examples of when to use	Examples of when not to use
Procurement Card	<p>Internet purchasing (within agreed guidelines).</p> <p>Suppliers who do not accept formal finance system (BW) orders.</p> <p>When goods or services are required immediately i.e. face to face or telephone orders.</p> <p>Should only be used for making business purchases that cannot be made on Finance system</p> <p>Only from Visa accredited suppliers.</p> <p>Only within card holders transaction and monthly limit.</p> <p>In accordance with the Procurement Card User policy.</p>	<p>When an official order is preferred i.e. commitment required on the finance system.</p> <p>Where contracts are in place e.g. for utility bills.</p>	<p>Online purchasing from Amazon, Argos etc.</p>	<p>Payments for gas, electricity and water bills, photocopiers, mobile phones etc.</p>

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

<b>Purchasing Option</b>	<b>When to Use</b>	<b>When not to use</b>	<b>Examples of when to use</b>	<b>Examples of when not to use</b>
Sundry bank accounts	<p>For the local purchase of low value items of expenditure.</p> <p>Reimbursement to staff of minor expenditure items when receipts are provided.</p>	<p>For individual transactions over £150.</p> <p>Payment of salaries, wages or other allowances.</p> <p>When an official order is preferred i.e. commitment required on the finance system (BW).</p> <p>Where contracts are in place e.g. for utility bills.</p> <p>Whenever goods or services have to be requested from a supplier.</p>	<p>Purchase of postage stamps.</p> <p>Local suppliers who do not accept the finance system (BW) orders and are not registered with Visa.</p>	<p>Reimbursement of travel expenses.</p> <p>Payments to contractors i.e. window cleaners (because of tax implications).</p> <p>Work carried out under the Construction Industry Scheme (because of tax implications).</p>

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*

<b>Purchasing Option</b>	<b>When to Use</b>	<b>When not to use</b>	<b>Examples of when to use</b>	<b>Examples of when not to use</b>
Special Payments  Vouchers (SPV)	Payments to suppliers where an invoice is not generated.	Payments to suppliers where an invoice is generated.  Payment of salaries, wages or other allowances.	Purchase of TV Licences (schools, establishments) where a procurement card is unavailable.  Grants to other organisations.	To process an invoice where there is no order.  Reimbursement of non-staff expenses i.e. interview expenses (use form LCC_AP_017_V2.3)
Retrospective BW Orders	Emergency and out of hours ordering. Requires budget holder approval and confirmation by an official order - usually by the next working day.  When an invoice has been received, but not for goods or services requested, and a framework order is not appropriate.	For processing invoices for goods and services requested without an order.  All requests to suppliers for goods or services should be on a Finance system (BW) order.	Emergency repairs where the supplier needs to be contacted in advance of an order.  Urgent requirements when a Finance system (BW) licence holder is not available.  Payment of insurance claims etc. where the retrospective order enables detailed information to be recorded on the finance system (BW).	Retrospective orders should not be used routinely  A monitoring report is being designed to identify where this is occurring

## Financial Procedure 5 - Income & Expenditure

*This procedure forms part of the Financial Regulations and Procedures in the Constitution of Lincolnshire County Council*