



Financial Procedures

1. Placing Orders

- 1.1 All orders placed must be in line with the LMC's Financial Standing Orders.
- 1.2 Before placing an order, you must ensure that you have the required level of authority (as set out within the Financial Standing Orders) to do so.
- 1.3 When placing an order where immediate payment is required and is being made on a Company Debit Card:
- Forward the electronic order confirmation which shows that payment has been made and the card used to the Humberside email address. If you only have a hard copy, place it in blue tray. The Administration Team will scan / save the document into the Invoices folder on the V drive.
- 1.4 When placing an order which will result in an invoice for payment:
- Print/photocopy the written documentation which confirms the details of the order including the amount of expenditure committed. This could be a venue booking form, an email confirming an order etc.
 - Place in the tray marked "Invoices for Payment"

2. Processing Invoices

2.1 Step 1 – Putting an invoice into the system

This step is the responsibility of all staff members in receipt of an invoice.

- When an invoice arrives by post, it should be date stamped and placed in the blue tray for processing by the administration team.

When an invoice arrives by email, it should be saved into the Invoices folder on the V drive and processed for payment. SMT to forward any invoices to the main inbox and state that they are for processing.

2.2 Step 2 – Processing the invoice for payment

This step will be the responsibility of the Team Administrators.

2.2.1 *Regular Invoices*

We receive invoices for a number of regular payments where we have an ongoing contract/agreement. Examples are Capsticks, Lazaat, Humber Foundation Trust etc. For these invoices:

- Check that the invoice does require a separate payment i.e. that it does not relate to an already existing standing order or direct debit payment. (Note: Invoices paid by Direct Debit normally include a statement that no payment is necessary and indicate the approximate date the Direct Debit will be taken from the account. A list of current Standing Orders and Direct Debits is saved in the V-drive under Business & Office Management – Admin – Banking – 2023 Payments and Budget Lines. If in doubt about whether to process an invoice, check with the CEO MD or Operations Manager. (For further information about Standing Orders and Direct Debits, see below.)
- Check the invoice to ensure that it is as expected (amount) and does not contain any errors. (Note: Any errors/concerns should be flagged up immediately to the Operations Manager or CEO MD before processing the invoice any further.)
- Administration Team to then process the payment per instructions in “Process to Pay Invoices” document.

2.2.2 *One-Off Invoices*

We sometimes receive invoices for non-recurring expenditure such as venue bookings, capital purchases etc. For these invoices:

- Check the invoice to ensure that it is as expected and tallies with the original order (amount) and does not contain any errors (Note: Any errors/concerns should be flagged up immediately to the CEO MD or Operations Manager before processing the invoice any further.)

Administration Team to then process the payment per instructions in “Process to Pay Invoices” document.

2.2.3 *Other Payments (Direct Debits, Standing Orders and Business Debit Card payments)*

- All payments made should be processed by the Administration Team per the instructions in the “Process to Pay Invoices” document.

2.3 Step 3 – Final Check

The CEO MD will approve and authorise the payments as per the instructions in the “Process To Pay Invoices” document.

The CEO MD will **normally complete the final check on Thursday**. In exceptional circumstances, it may be done on Friday instead.

When the CEO MD is on annual leave, the final check will be completed by the Medical Secretary or the Operations Manager, if payments are not urgent, they can wait until the CEO MD returns.

3. Making Internet Banking Payments

- 3.1 Internet Banking Payments will **normally be done on Thursdays or Fridays**.
- 3.2 The majority of the invoices received by the LMC are paid via internet banking. Any payments by cheque are an exception and should be passed to the CEO MD for a cheque to be raised.
- 3.3 The Team Administrators will be responsible for setting up payments on the Handelsbanken Corporate Internet Banking Portal. Step by step training will be given for this. Wherever possible, a pre-existing template will be used to avoid the potential for error. In the absence of any Team Administrators, the Operations Manager will be responsible for this stage of the process for any urgent payments that cannot wait until their return.
- 3.4 The CEO MD will be responsible for authorising payments on the Handelsbanken Corporate Internet Banking Portal. In the absence of the CEO MD, payments may be authorised by another authorised signatory who is also an internet banking user. An up-to-date list of these individuals is maintained as Appendix 1 to the Financial Standing Orders. Alternatively, non-urgent payments may be left until the return of the CEO MD.

4. Payments made by Standing Order

- 4.1 The LMC has certain payments set up to be made via standing order. A list of current standing orders is included in the V-drive under Business & Office Management – Admin – Banking – 2023 Payments and Budget Lines.
- 4.2 Invoices are sometimes received for payments that are made by standing order. These are for our records so that the standing order can be reconciled to a relevant invoice. An example would be that we receive invoices from Wastewise for the quarterly service charge which is paid by standing order.
- 4.3 It is important to check that there is not already a standing order set up for a particular bill as there is the potential for it to be paid twice – once by standing order and once by bank transfer in response to an invoice received.
- 4.4 If you identify that an invoice already has a regular standing order

Process the payment per instructions in “Process to Pay Invoices” document.

If unsure, check with the Operations Manager who will be able to check previous payments in QuickBooks and cross-reference with the Payments & Budget Lines document.

5. Payments Made by Direct Debit

- 5.1 The LMC pays certain bills by direct debit. A list of current direct debits can be accessed via online banking and they are also itemised in the Payments & Budget Lines document.
- 5.2 An invoice is sometimes received for our financial records (e.g. the KRL payments are made by direct debit).

5.3 It is important to ensure that we do not pay a bill twice – once by direct debit and once through internet banking. When a bill is paid by direct debit, this will normally be stated on the bill/invoice which usually indicates that no payment is necessary and the approximate date the direct debit will be taken.

5.4 If you identify that an invoice is already going to be paid by direct debit:

Process the payment per instructions in the “Process to Pay Invoices” document.

6. Payments Made by Business Debit Card

6.1 The Financial Standing Orders list company debit card holders. A Business Debit Card can be used to pay for items where it is not possible or more difficult to arrange for an invoice e.g. online purchases. Where the Business Debit Card is used to make a transaction:

- Print the receipt/order/other document confirming the item and annotate with “Business Debit Card”
- Place the printed paperwork in the blue tray marked “Invoices for Payment”

The Administrative Team will process the transaction with the weekly invoices as set out in the Process To Pay Invoices document.

7. Staff Salaries

7.1 The payroll service used by the LMC is provided by the company’s accountants, Jackson Robson Licence.

7.2 The procedure that will be followed for paying staff salaries is as follows:

- The Operations Manager will email Jackson Robson to confirm any special arrangements for the month’s salary payments e.g. extra hours worked, attendance at meetings for Board Members, unpaid leave etc.
- Jackson Robson will forward draft payslips to the Operations Manager.
- The Operations Manager will check the payslips to ensure that:
 - The salary amount is correct and any adjustments have been made
 - Any deductions are correct e.g. pensions, student loans
 - Company Directors have been allocated the correct amount for meeting attendance etc.
- Jackson Robson will check any queries raised, make any amendments required and forward finalised payslips by email and post.
- On receiving the final payslips, the Operations Manager will set up Faster Payments on the internet banking service for each member of staff/Director to be paid that month. The payments will be marked private.
- Another signatory will then log on to internet banking to check and authorise the payments, using the Payment Summary provided by Jackson Robson. (This will normally be completed by the CEO MD.)

7.3 In addition to the payslips and payment summary, Jackson Robson will forward a Form P32 Employer Payment Record each month. This document sets out the amount that must be

paid to HMRC for the month, comprising employer national insurance, employee national insurance and PAYE. The Form P32 will be treated as an invoice and the steps listed in Section 2 above should be followed as for an ordinary invoice with additional categorising required in Quickbooks for the different parts of the payment.

8. Private Payments

- 8.1 The Handelsbanken internet banking platform has a facility to mark payments as “private”. Any transaction marked private can then only be viewed by account signatories who have permission to view private transactions.
- 8.2 The private payments functionality will be used for salary payments but it will rarely be used for other purposes.

9. QuickBooks Importing, Reviewing, Categorising and Reconciliation of Transactions

- 9.1 All financial transactions will be recorded within QuickBooks (QB), a cloud-based bookkeeping software product. Step-by-step is provided on how to utilise the Quickbooks software for this purpose.
- 9.2 The Operations Manager will import transactions directly from the three Handelsbanken bank accounts on a weekly basis and input transactions relating to the Lloyds Deposit Account when necessary.
- 9.3 The Operations Manager will then be responsible for ensuring that all transactions imported into QB are checked, correctly coded and categorised.
- 9.4 The Operations Manager will reconcile the Handelsbanken bank accounts on QB once a month, on receipt of the paper bank statements by post.

10. Importance of Confidentiality

- 10.1 In a small organisation such as the LMC, it is difficult to restrict access to financial information and still operate efficiently. This means that staff at all levels of the organisation will have access to financial information and, potentially, knowledge of colleagues’ salaries, pensions and expenses.
- 10.2 In this context, there is an expectation that all staff members with access to financial information will maintain the highest standards of confidentiality about all financial matters.

11. Security

- 11.1 All members of staff/Board members with access to internet banking are allocated a banking widget and a logon card.
- 11.2 To ensure security, staff/Board members must:
- Not use another staff/Board member’s widget or logon card

- Not share their PIN with anyone else
- Store their widget and logon card separately
- Return their widget and logon card to the CEO MD on request or on their departure from the company.
- Report immediately any loss of their widget or logon card to the CEO MD so that the bank can be notified immediately

12. Updating & Review

- 12.1 These procedures will be kept under review and will be amended as appropriate to reflect changes/improvements in working practices.
- 12.2 Changes to the financial procedures may be made by the CEO MD subject to approval by the Chair of the Board.

Implementation Date:	July 2016
Review Cycle:	As required
Next Review Date:	Updates to be made as required by the Chief Executive (delegated authority given by the Board on 28 February 2019) - please see below for amendments log.

Amendments Log:

Amendments Made	By & Date	Authorised by Chair (Date)
References to 'relevant section' of payment docket removed and replaced with specific detail of which fields of the payment docket need to be signed and dated.	Amalia Booker 28/07/16	12/08/16 Hard copy signed and placed in office procedures folder.
Minor amendments to wording, removal of requirement to print details of all internet transactions made and section on QuickBooks Reconciliation added.	Amalia Booker March 2017	Full revised version of procedures approved by Board at meeting on 13/04/17.
Interim procedures written to manage the interim period between the departure of the Director of Operations on 31/10/18 and the commencement of the new Chief Executive on 01/02/19.	Amalia Booker 30/10/18	Emailed to Dr Fraser 30/10/18 for confirmation.
Minor amendments to reflect new Chief Executive in post.	Simon Barrett 06/02/19	Approved at Board 28 February 2019.
Amendments made to include Business Support Officer as having selective delegated authority to approve certain transactions.	Simon Barrett January 2020	Approved at Board 30 January 2020.
Full review of procedures	Simon Barrett	Approved at Board 29 July 2020
Full review of procedures	Alison Evans	Approved at Board 27 April 2023

Appendix 1

PROCESS TO PAY INVOICES

<p>When a paper invoice is received place in the blue tray for processing. Any invoice sent electronically save straight into the V drive folder "Invoices". SMT to forward any invoices to the main inbox and state that they are for processing.</p>	
<p>Check the details carefully and decide whether it is to pay or has been paid already by Direct Debit/Standing Orders/Business Debit Card. If it is a regular DD/SO, make sure the payment is what is expected. If a new supplier and over £1,000 check the bank details with two different people.</p>	<p>2021 Payments and Budget Lines.XLSX</p>
<p>Scan the invoice into the following folder by month/week and save by date/company name. Invoices should be saved in the following week after 12:00 noon deadline on Thursday.</p>	<p>V:\External\LMC\Shared\Business & Office Management\Admin\Banking\Invoices\2023 Open the invoice and click on the comment box and click on the Add stamp icon across the top Press Dynamic approved from the drop-down box/and Paid by DD/SO/Debit Card stamp if necessary Save and close invoice Let the Chief Executive/Operations Manager know invoices are ready for approval (usually Thursday)</p>
<p>Log-in and enter invoice onto Quickbooks V:\External\LMC\Shared\Business & Office Management\Policies & Procedures\Internal Processes & Procedures\Current documents\2022 04 28 Document Website Passwords for Humberside LMC Accounts.docx</p>	<p>QuickBooks (intuit.com) Go to Menu on left hand side and New Choose Suppliers drop down box and Bill Enter Supplier/Terms/Bill Date/Due Date/Bill No – Ignore TAG Create new supplier if not already there Type in Category/Description/Amount/Class (i.e., Required Levy, etc) – you can add as many lines as needed Type your initials and date in the Memo box Attach/drag the invoice into the attachments box and save/save new</p>
<p>Log-in and enter invoice onto Handlesbanken</p>	<p>Hull Hesslewood Handelsbanken Use existing payment templates or create new one if the supplier is not already listed Payment date is usually Friday unless the invoice is more urgent Check authorisation screen to make sure all payment information is accurate Transactions in excess of £20,000 needs to be split into 2 payments and require two signatures</p>

<p>Chief Executive/Operations Manager to approve invoices in the folder and on Handlesbanken</p>	<p>V:\External\LMC\Shared\Business & Office Management\Admin\Banking\Invoices\2023 Open the invoice and click on the comment box and click on the Add stamp icon across the top Press Dynamic approved from the drop-down box Save and close invoice Authorise on Handlesbanken</p>
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