WARWICKSHIRE POLICE	**POLICY**
Security Classification	Official
Disclosable under Freedom of Information Act 2000	YES

POLICY TITLE	**Income and Debt Recovery**
REFERENCE NUMBER	**WP227**
Version	**1.1**

POLICY OWNERSHIP	
DIRECTORATE	Finance
BUSINESS AREA	Financial Accounting

INITIAL IMPLEMENTATION DATE	**December 2024**
NEXT REVIEW DATE:	**December 2026**
RISK RATING	**MEDIUM**
EQUALITY ANALYSIS	**LOW**
TIER	**2**

Warwickshire Police welcome comments and suggestions from the public and staff about the contents and implementation of this policy. Please e-mail policiesandprocedures@warwickshire.police.uk

CONTENTS PAGE:

1.0 POLICY OUTLINE

Income is a high risk area for fraud or error.

The guidance provided in the Cash Policy should be followed for all cash transactions, which carry an inherent risk. This policy and procedure builds on this and also details the process to be followed to bank and record income.

2.0 PURPOSE OF POLICY

This policy is written to protect income, for the benefit of policing and to protect the interests of those individuals and organisations that have paid money to the force and to protect staff and officers. This will be best achieved by ensuring cash is banked promptly, recorded accurately and in a timely manner to ensure accounting for income complies with Financial Regulations. Adherence to this policy will minimise the risk of loss, whether through error or fraud and ensure monies are credited to the correct account and presented accurately.

3.0 IMPLICATIONS OF THE POLICY

The term 'officer' applies to both officers and staff.

Failure to comply with policy may lead to disciplinary proceedings.

Financial Regulation No.8.2 covers Income.

IT IS ESSENTIAL THAT ALL STAFF RESPONSIBLE FOR CASH ARE FULLY AWARE OF THE CONTENTS OF THIS POLICY AND ARE BRIEFED ON ITS CONTENT AS PART OF THE INDUCTION PROCESS. A SIGNATURE IS REQUIRED TO ACKNOWLEDGE RECEIPT AND UNDERSTANDING.

PLEASE READ IT THOROUGHLY NOW, KEEP IT SECURE AND AVAILABLE FOR FUTURE REFERENCE AND FOLLOW THE GUIDELINES CAREFULLY AND CONTINUOUSLY.

4.0 PROCEDURE

Postal Remittances

In offices where income is received by post, a Remittances Register should be kept for recording postal remittances containing this information:

- Date received
- Name of sender
- Amount of payment
- Form of payment, e.g. cheques, cash, postal orders, etc.

Wherever possible two staff should be involved in opening post and should date stamp the contents.

Remittances should be entered in the Remittances Book, as the post is being opened and corroborated by the second person, who should sign the remittance register after completion.

Any deficiency or surplus against the amount indicated on documents enclosed should be clearly noted and initialled.

A record should be made of communications purporting to enclose remittances not in fact received.

The envelope and any other evidence should be retained when it is not possible to identify the person sending a remittance.

The back of the cheque should be date stamped and the remittance book reference number recorded.

A total of the remittances received should be entered daily and when the remittances are handed over to a different officer for paying-in, (again daily), this officer should sign the book as having received the remittances.

Receipts (fingerprints and cadets income only)

Receipts must only be issued on the official stationery controlled and provided by the Head of Accounting & Financial Services. Receipts are only issued for income received in person from members of the public for fingerprint requests or from cadets for payment of subscriptions. The original (white copy) will be handed or despatched to the payee. The first counterfoil (pink) is a miscellaneous copy which can be used to inform a department of the receipt of income, and the third page (blue) remains in the book.

Receipts must be kept securely at all times. Receipts must be issued promptly in chronological order for the income received. Full details including the method of payment must be recorded on the receipt and the top copy handed to the payee. The back of the cheque should be date stamped and details of the receipt number noted.

Where it is necessary to cancel a receipt, the word “cancelled” should be clearly written across the face of each copy and the original retained. Where it is not apparent, the reason for cancellation should be stated.

Money received **must** not be used to cash personal or any other cheques.

Electronic Daily Cash Sheet

All income received must be recorded by the Business Operations Services Desk onto an Income ‘Daily Cash Sheet’. This is a pre-numbered electronic spreadsheet document owned by the Finance Team. New Sheets are categorised into the following areas:

- Debtor

- General Income
- Firearms
- Alarms

The Daily Cash sheet number must be entered onto the back of each cheque.

The 'Total Collection' amount on the Daily Cash Sheet should equal the amount of income stored in the safe at all times and will be subject to spot checks arranged by the Business Operations Services Manager.

Banking should be arranged no later than weekly and wherever possible two members of staff will complete the banking process. The Daily Cash Sheet will be submitted electronically to the Finance Systems Team where it will be processed to allow the income to be posted by the Payments and Income team and to ensure that the bank has deposited the correct value.

The system produces two hard copies of the Daily Cash Sheet, one copy accompanies the banking and the second copy is stored by the Business Operations Services Team.

The bank paying-in slip is to be completed entering cash sheets numbers to which the banking relates.

NB Cheques in excess of £10,000.00 should be brought to the attention of the Business Operations Services Manager.who must inform the Head of Accounting and Financial Control before making a visit to the bank.

Banking

Banking of cash and cheques should be made at least weekly and more frequently when the insurance limits as laid down in the Cash Policy are exceeded. Exceptions to this rule should only be made after specific agreement by the Head of Accounting & Financial Control.

The banking must be made using the official paying-in book supplied by the Head of Accounting & Financial Control and it is emphasised that all income received to the date of banking must be deposited intact. The bank should retain the original; the counterfoil remains in the book. Banking officers should ensure that the bank stamps both copies as evidence of receipt of deposited monies.

Attention is drawn to the instructions printed on the cover of the paying-in book and the following points are also relevant:-

For each cheque paid in, a reference (such as the receipt number or the name of the debtor) which will connect the cheque or the cash sheet reference with the payment shall be entered on or attached to the paying-in slip. Therefore, when cheques are included in the payment to the bank, the paying-in slip should show the receipt numbers to which the cheques relate.

Where appropriate, entries in the amount column should be written on the same line as the description of income and should be in the narrative space. Figures in the amount column should be entered clearly with one figure to each space and pence entered in the two spaces between the dotted and thick black lines. Single pence should be prefixed by “0”, e.g. 8 pence should be written “08”. The £ prefix and “p” suffix are not required.

The top copy of a spoilt paying-in slip should be crossed through and marked cancelled and stapled to the copy in the paying in book.

IT IS ESSENTIAL that security precautions are followed when taking money to the bank and at any time when staff or the money are in any way at risk. All staff responsible for this duty must comply with the Cash Policy.

Cash Control

Every transfer of monies from one officer of the organisation to another should be acknowledged by the issue of a receipt or, in appropriate cases, by signatures in cash accounting records. If an officer has to hand over cash to another officer and they have no access to a receipt book, then an entry should be put into both of their pocket note books with details of the officers concerned including the collar number and a signature.

Cash should not be transferred between staff by internal post systems or similar means in circumstances where it is not in the personal custody of an officer who has signed for it after checking the amount handed over.

Sales Invoice (Debtor Accounts)

Wherever possible payment for goods and services provided by Warwickshire Police should be made up front to avoid the potential for bad debts.

However, in certain cases it isn’t either possible or appropriate for Warwickshire Police to receive the income at the time a service is rendered or goods are supplied. In these approved circumstances a sales invoice should be raised promptly and sent to the person or organisation (the debtor). This is done by completing a Sales Invoice Template form (Appendix A) and submitting it to the Finance Team (Finance@warwickshire.police.uk) who will then raise the invoice request in FPM. The Payments and Income Team will then generate the sales invoice in eFinancials that will be emailed directly to the customer.

When goods or services are being supplied on credit, the credit worthiness of the person or organisation should be determined, where appropriate, based on value or sensitivity. The Head of Accounting and Financial Control can obtain references from the bank named by the person or organisation if details are supplied in writing. In some circumstances, particularly trading activities, it may be appropriate to set credit limits for individual debtors.

The standard payment terms will be 30 days from the date of the invoice.

The Head of Accounting and Financial Control will take the necessary steps to monitor and pursue any outstanding debt from customers. The process will be as follows:

1. A reminder letter will be emailed to the customer on the 1st day that the invoice is overdue (ie 31 days from the date of the invoice) requesting payment within 7 days;
2. If payment is still outstanding after a further 14 days (ie day 45), a second reminder letter will be issued requesting payment within 7 days;
3. If payment is still not received then the debt will be referred to the Legal team who will issue a Letter of Claim. If the customer agrees with the payment they must make payment within 14 days of the service date. The service date is the date on the claim and 5 days after the issue date on the claim (19 days after the issue date). If the customer does not agree with the payment then Warwickshire Police will start court proceedings.

The officer raising the debt will be kept informed of potential bad debts and where necessary or appropriate they will be involved in the recovery process. All bad debts that are written off will be debited back to the cost centre on which the debt was raised, except in exceptional circumstances when the bad debt provision will be utilised.

Occasionally it may be necessary to write off a bad debt, for example if the company has ceased trading, and these will be authorised in accordance with Section 11 of Financial Regulations.

Adjustments

Any cancellation, due to the goods and services no longer being required, or adjustment of value downwards, because the requirement or specification has changed, should be made via the issue of a credit note. This can be undertaken on the FPM system. Credit notes should not be used to write off legitimate debts.

Where an account is being refunded, the refund should be requested in FPM.

Where an issued invoice requires adjustment in value upwards, a new invoice should be issued, with a credit note raised to cancel the first invoice.

VAT

Any mis-declarations in respect of VAT can lead to penalties and interest charges and could lead to a HMRC inspection. If you have any doubts or unusual matters regarding VAT please do not hesitate to contact the Head of Accounting & Financial Control.

On request the VAT Officer will provide a checklist of the VAT liability in respect of your activities.

Retention of records

Receipt books, bank paying-in slips, debtor accounts and other financial records relating to this guidance should be retained for a period of six complete years, plus the current financial year.

5.0 DOCUMENT HISTORY

Date	Author / Reviewer	Amendment(s) & Rationale	Date of Approval / Adoption
February 2024	Mike Kaine	Updated from previous alliance policy no. A189	Dec 2024

6.0 CONSULTATION

Head of Dep't/ Chief Officer Consulted	Date Communication Sent
Jeff Carruthers, Director of Finance	February 2024
Finance Team	February 2024
Pam Lotta, Business Operations Services Manager	February 2024

6.1 A summary of the extent of any consultation should be included here and should include details of bespoke interested groups, both internal and external, which have been involved in the development and/or consultation in respect of this policy e.g. with JNCC, Independent Advisory Group and relevant Business Areas.

Appendix A

Sales Invoice Request Form

Template for Warwickshire Police Sales Invoices

Customer Number	
Purchase Order Number provided by Customer	
In case of invoice query please contact:	
Product Code	
Net Amount (£)	
Vatable? Yes or No	
Vat Code	
Cost Centre	
Account Code	
Activity Code	
Job Code	
Invoice Description	