Income Policy	
Security Classification	**OFFICIAL**
Disclosable under Freedom of Information Act 2000	Yes

POLICY TITLE	**Income Policy**
REFERENCE NUMBER	**WMP218**
Version	**1.0**

POLICY OWNERSHIP	
DIRECTORATE	COMMERCIAL SERVICES
BUSINESS AREA	FINANCE

INITIAL IMPLEMENTATION DATE	**September 2023**
NEXT REVIEW DATE:	**September 2025**
RISK RATING	**MEDIUM**
EQUALITY ANALYSIS	**LOW**

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

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, including dismissal where appropriate.

Financial Regulation No.6.2 covers Income.

IT IS ESSENTIAL THAT ALL STAFF RESPONSIBLE FOR CASH ARE FULLY AWARE OF THE CONTENTS OF THIS INSTRUCTION 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

<u>Postal Remittances</u>

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

Receipts and other acknowledgements must only be issued on the official stationery controlled and provided by the Payments Team Leader under the delegated authority of the Director of Business Services. Requests for receipts, or other controlled stationery, shall be made in writing to the Head of Business Services or their designated officer and the recipient shall acknowledge receipt of them by signing and returning the form supplied.

A record of all subsidiary receipt books issued and returned including details of date, department/station issued, and signature/collar number will be held by the Payments team in the Business Operations Centre.

The Service Delivery Manager should ensure that all subsidiary receipt books are accounted for and inspected on a six-monthly basis.

Upon return of the completed subsidiary receipt books the Service Delivery Manager should ensure that all receipts of monies have been deposited with the Business Support Site Administrators promptly.

An audit by the Service Delivery Manager of outstanding issued subsidiary books should be undertaken quarterly, to ensure that cash deposits have been accounted for correctly and promptly.

Exceptions to the use of receipts, where approved licences, certificates or tickets etc., are issued in lieu, will be subject to the agreement of the Treasurer.

The form of all receipts, tickets and other documents issued as an acknowledgement for payment will be subject to the approval of the Treasurer.

Receipts and other approved acknowledgements for income received must be kept securely at all times. The issue of supplies of receipts or other acknowledgements to the individual officers receiving the income must be properly recorded.

Receipts must be issued promptly in chronological order for all 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 **<u>must</u>** not be used to cash personal or any other cheques.

Receipts – A28, three per page, in triplicate, will be used for all income received in the Business Support Office. The original (white copy) will be handed or despatched to the debtor. 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.

Subsidiary receipts, A28i, one per page in triplicate, will be used by front counters and any other business area approved by the Service Delivery Manager. The original (white) should be handed to the payee; the first counterfoil (pink) should accompany the money to Business Support, and the second counterfoil (blue) remains in the book.

The receipts will be used to acknowledge all income received, except found money, collected by any officer away from Local policing area/Department (which will be documented on PMS in line with the seized cash procedure).

<u>Under no circumstances should money for non-force activities be accepted or receipted on official stationery.</u>

The Business Support Site Administrators will issue a receipt to the officer concerned who will attach it to the retained (blue) counterfoil in their subsidiary receipt book. This is evidence that the money has been deposited with the Business Support Site Administrators.

Officer issuing subsidiary receipts must ensure that collected income is transferred to their Business Support Site Administrators for banking as soon as possible.

<u>Electronic Daily Collection Sheet</u>

All income received must be recorded by the Business Support Team onto an Income ‘Daily Collection Sheet’. This is a pre-numbered electronic document owned by the Systems Team in the Business Operations Centre. New Sheets are opened from the Finance desk-top – cash sheets – and are categorised into the following areas:

- Debtor
- General Income
- Firearms
- Information compliance
- Alarms

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

The ‘Total Collection’ amount on the Daily Collection Sheet should equal the amount of income stored in the safe at all times and will be subject to spot checks arranged by the Service Delivery Manager.

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

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

Bank paying-in slip 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 Support Officer who must inform the Head of Finance before being banked.

Banking

Payments to the bank 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 Finance.

A full breakdown of safe limits and contact details for Insurance is included in the Cash Policy.

The banking must be made using the official paying-in book supplied by the Financial Transactions Manager 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 with the receipt from G4S attached.

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 debt shall be entered on or attached to the paying-in slip. Therefore, when cheques are included in the payment to 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.

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.

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.

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.

Credit Income Debit Accounts

Wherever possible payment for goods and services should be made up front to avoid the potential for bad debts and supported by an invoice raised in Finance Process Manager (FPM).

In certain cases it is inappropriate for the organisation to receive cash at the time a service is rendered or goods are supplied by the organisation. In these approved circumstances an invoice should be raised promptly and sent to the person or organisation (the debtor). This is done via FPM (user manuals are available on the Finance Desktop - J:\Finance\Corporate Finance\Finance Desktop).

When goods or services are being supplied on credit, the credit worthiness of the person or organisation should be determined in appropriate cases, based on value or sensitivity. The Contracts and Procurement Manager 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 exercise credit control by setting credit limits for individual debtors.

The Head of Finance will take the necessary steps to monitor and pursue the outstanding debt to ensure that the account is paid including the recovery of overdue debts. 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, unless a provision for doubtful debts has already been created for this purpose.

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 account requires adjustment in value upwards, a new account should be issued, with a credit form 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 Financial Accounting team.

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 CONSULTATION

Business Lead/ Chief Officer Consulted	***Date Consulted***
Rachel Adie, Head of Finance	August 2023

6.0 ASSESSMENT AND ANALYSIS

This policy has been subject of an Equality Analysis available on a separate document.

7.0 MONITORING / EVALUATION

The Monitoring and review of this procedure is the responsibility of the procedure owner.

8.0 DOCUMENT HISTORY

Date	Author / Reviewer	Amendment(s) & Rationale	Date of Approval / Adoption
		Previously approved at JNCC meeting	JNCC 10/05/2017
04/08/23	Pippa Wilkinson	Policy updated to West Mercia only and procedures updated to current.	Sep 2023