



# Detailed Financial Policy - Income, fees and charges and security of cash, cheques and other negotiable instruments

<b>Policy Number</b>	<b>DFP012</b>
<b>Target Audience</b>	<b>CCG staff</b>
<b>Approving Committee</b>	<b>Chief Finance Officer</b>
<b>Date Approved</b>	<b>25<sup>th</sup> July 2018</b>
<b>Last Review Date</b>	<b>November 2020</b>
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<b>Policy Author</b>	<b>Amanda Williams, Head of Financial Accounting and Reporting</b>
<b>Version Number</b>	<b>V2</b>

<b>Applicable Statutory, Legal or National Best Practice Requirements</b>	Under the provisions of its Constitution, the Group is required to prepare detailed financial policies to support its prime financial policies. This document serves to discharge that responsibility for this subject-area.
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The CCG is committed to an environment that promotes equality, embraces diversity and respects human rights both within our workforce and in service delivery. This document should be implemented with due regard to this commitment.

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This document can only be considered valid when viewed via the CCG's intranet. If this document is printed into hard copy or saved to another location, you must check that the version number on your copy matches that of the one online.

Approved documents are valid for use after their approval date and remain in force beyond any expiry of their review date until a new version is available.

## Version Control Sheet

Version	Date	Reviewed By	Comment
V0.1	December 2015	Amanda Williams	Initial Drafting
V0.1	June 2016	Jackie Murray	Review
V1	June 2018	Amanda Williams	Updated by Head of Financial Accounting and Reporting
V1	June 2018	Jackie Murray	Review by Deputy Chief Finance Officer
V1	July 2018	Ian Boyle	Approved by Chief Finance Officer
V2	November 2020	Amanda Williams	Updated by Head of Financial Accounting and Reporting
V2	November 2020	Claire Donovan	Review by Acting Deputy Chief Finance Officer
V2	December 2020	Kelly Knowles	Approved by Acting Chief Finance Officer

Analysis of Effect completed:	By:	Date:
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## Introduction and Aims

1.1 Under the provisions of its Constitution, Bolton Clinical Commissioning Group is required to prepare detailed financial policies to support its Prime Financial Policies. This document serves that responsibility for this subject area.

**POLICY** – the group will

- operate a sound system for prompt recording, invoicing and collection of all monies due
- seek to maximise its potential to raise additional income only to the extent that it does not interfere with the performance of the group or its functions<sup>1</sup>
- ensure its power to make grants and loans is used to discharge its functions effectively<sup>2</sup>

1.2 The detailed financial policies identify the financial responsibilities which apply to everyone working for the group and its constituent organisations. The Chief Finance Officer is responsible for approving all detailed financial policies.

1.3 The detailed financial policies have effect as if incorporated in the Standing orders of Bolton Clinical Commissioning Group.

1.4 The policy applies to all those employed by the CCG, including Governing Body Members, Clinical Leads, Officers and Staff.

1.5 Should any difficulties arise regarding the interpretation or application of the detailed financial policy then the advice of the Chief Finance Officer must be sought before acting.

1.6 The user of the detailed financial policy should also be familiar with and comply with the provisions of the group's constitution, standing orders, prime financial policies and scheme of reservation and delegation.

1.7 Failure to comply with detailed financial policies and standing orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.

<sup>1</sup> See section 14Z5 of the 2006 Act, inserted by section 26 of the 2012 Act.

<sup>2</sup> See section 14Z6 of the 2006 Act, inserted by section 26 of the 2012 Act.

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## 2. Accountability, Responsibilities and Training

### 2.1 The Chief Finance Officer is responsible for:

- 2.1.1 Designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due;
- 2.1.2 Establishing and maintaining systems and procedures for the secure handling of cash and other negotiable instruments;
- 2.1.3 Approving and regularly reviewing the level of all fees and charges other than those determined by NHS England or by statute. Independent professional advice on matters of valuation shall be taken as necessary;
- 2.1.4 For developing effective arrangements for making grants or loans.

## 3. Policy

### 3.1 Income Systems

- 3.1.1 The Chief Finance Officer is responsible for ensuring a process is in place for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 3.1.2 The Chief Finance Officer is also responsible for ensuring a process is in place for the prompt banking of all monies received directly by the CCG.

### 3.2.0 Fees and Charges

- 3.2.1 The CCG shall follow the Department of Health and Social Care's advice in the "Costing Manual" in setting prices for NHS service agreements.
- 3.2.2 The Chief Finance Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by Department of Health and Social Care, NHS England or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.
- 3.2.3 Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered, the guidance in the Department of Health and Social Care's *Commercial Sponsorship – Ethical Standards in the NHS* should be followed.
- 3.2.4 All employees must inform the Chief Finance Officer promptly of money due, in accordance with notified procedures, arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions. In each case a sales order must be raised.
- 3.2.5 Any income generated from the activities of staff working in their employment hours, and/or utilising any of the CCG's facilities shall be declared as Exchequer Income and dealt with in line with the CCG's official income

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systems and controls and any other relevant aspects of an employee's terms and condition of employment.

3.2.6 All income generation activities shall be approved, before they are undertaken, by the appropriate budget holder/manager, and comprehensive and detailed records retained for audit. Such approval shall generally only be granted where the scheme generates a minimum of break even after taking account of all overheads and after further approval of prices by the Chief Finance Officer.

### **3.3.0 Debt Recovery**

3.3.1 The Chief Finance Officer is responsible for the appropriate recovery action on all outstanding debts.

3.3.2 Where it is necessary to use the services of a professional debt recovery agency and/ or the courts to recover an outstanding debt, the clinical commissioning group shall seek to recover the associated costs from the debtor concerned.

3.3.3 Income not received should be dealt with in accordance with losses procedures.

3.3.4 Systems and processes should reduce any risk of overpayments and enable any overpayment to be detected and recovery initiated.

### **3.4.0 Security of Cash, Cheques and other Negotiable Instruments**

3.4.1 The Chief Finance Officer is responsible for ensuring systems are in place for:

- approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable, where money is received directly by the CCG;
- ordering and securely controlling any such stationery;
- the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- prescribing systems and procedures for handling cash and negotiable securities;

3.4.2 Official money shall not be used for the encashment of private cheques or IOUs.

3.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Finance Officer.

3.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the CCG is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the CCG from responsibility for any loss.

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3.4.5 During the absence (e.g. on holiday) of the holder of a safe or cash box key, the acting key holder will be subject to the same controls as the normal key holder.

3.4.6 Any loss or shortfalls of cash, cheques of other negotiable instruments, however occasioned, must be reported immediately in accordance with the agreed procedure for reporting losses. Consideration must be given to reporting to NHS Protect for investigation of any potential fraud.

## 4 Internet

4.1 A list of the group's detailed financial policies will be published and maintained on the group's website at [www.boltonccg.nhs.uk](http://www.boltonccg.nhs.uk).

## 5 Monitoring and review

5.1 The effective operation of these arrangements will be monitored by the Chief Finance Officer as a part of the routine monitoring of operational performance in the CCG. In addition, and on a risk basis, it will feature in the internal audit work programmes.

## 6 Legislation and related documents

6.1 This detailed financial policy should be read in conjunction with the following documents:

- Prime Financial Policies
- Commissioning Strategy, Budgets, Budgetary Control and Monitoring
- Expenditure Control
- Cash and Banking Policy
- Accounting Systems
- Gifts, Hospitality and Commercial Sponsorship Policy
- CCG Constitution
- Anti-fraud, Bribery and Corruption Policy

## 7 Other relevant Procedural Documents

7.1 These detailed financial policies identify the responsibilities which apply to everyone working for the CCG. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and operational procedure notes. This policy will be available to all staff on the CCG Website.

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## 8 References

- NHS Act 2006
- Health and Social Care Act 2012.

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