

## REGULATION 19: INCOME COLLECTION AND BANKING

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### 19.1 GENERAL PRINCIPLES

- 19.1.1 **Fees and Charges:** Except where the Council has no discretion, all fees and charges should be reviewed at least annually and approved by the Executive.
- 19.1.2 **Collection Methods:** The income collection methods employed should ensure the efficient and prompt collection of income due and comply with the Council's [Collection and Recovery Policy](#).
- 19.1.3 **Separation of Duties:** There should be more than one person involved in the process for raising accounts, receiving and banking the income and reconciling or verifying the reconciliation of income collected.
- 19.1.4 **Responsibility for Income Collection:** All arrangements for the collection of income are subject to the approval of the Statutory Chief Finance Officer. Directors are responsible for ensuring that all income due is collected in accordance with Council policy.
- 19.1.5 **Point of Collection:** Income should be collected in advance wherever possible and appropriate, or at the point of sale.
- 19.1.6 **Security:** Appropriate arrangements must be made for all income collected to safeguard against loss or theft.
- 19.1.7 **Cash in Transit:** Where income is being collected away from the main Council buildings, appropriate consideration should be given to the security arrangements for both the cash and the personnel involved, in accordance with Financial Regulation Support Document 35 - Cash in Transit.
- 19.1.8 **Timeliness:** All income received should be banked in full as soon as practical and within 5 working days. All income received should be processed promptly into the Council's financial accounting systems.
- 19.1.9 **Completeness:** Appropriate arrangements should be used to confirm that all monies collected have been accounted for. Attempts should be made to resolve any variations found, in consultation with the line manager. Appropriate records should be kept.

## 19.2 INVOICES FOR INCOME DUE TO THE COUNCIL

- 19.2.1 **Notification of Debts:** Services should supply the “Nominated Chief Officer with responsibility for Exchequer functions” with all the information necessary for him/her to secure promptly the complete and accurate recording, collection and recovery of sums due to the Council.
- 19.2.2 **Supporting Documentation:** Services should ensure that adequate documentation is kept to support accounts raised on their behalf.
- 19.2.3 **Form of Invoices:** Invoices for all sums payable to the Council should only be raised in a form approved by the Nominated Chief Officer with responsibility for Exchequer functions"
- 19.2.4 **Information on Accounts:** All accounts must detail:
- a) the full name and address of the legal entity responsible for the debt, including relevant contact details;
  - b) a description of the goods or services supplied, what it is for, how and when it was incurred and any special conditions relating to the supply;
  - c) the price to be paid for the goods or service, and where appropriate the rate and value of VAT and the total sum to be paid;
  - d) the terms and conditions of payment including stage payments if appropriate.
- 19.2.5 **Timing of Accounts:** Invoices which cannot be raised in advance should be raised at the earliest opportunity after supply and within **30 days** of the value of the charge being known.
- 19.2.6 **Credit Notes:** No debt can be cancelled once raised except by payment or write off. A credit note should be issued to correct factual inaccuracy or administrative errors in the calculation or billing of debt.

## 19.3 INCOME COLLECTION

- 19.3.1 **Post Opening:** At least two employees must be present when post, which is expected to contain income, is opened. A record of the total income and the number of items received in a post opening session must be maintained.
- 19.3.2 **Records of Collection:** Appropriate records must be maintained of any payments received in person at the time of collection.
- 19.3.3 **Counterfeit Notes:** Any bank notes received in person should be checked to ensure they are genuine, in accordance with [Support Doc 33 - Detection and Handling of Counterfeit Notes](#), before they are accepted.

- 19.3.4 **Money Laundering:** Any large payment received in cash must be handled in accordance with the Council's **Money Laundering Policy (Financial Regulation Support Document 30)**.
- 19.3.5 **Use of Official Receipts:** Only official receipts or arrangements approved by the "Nominated Chief Officer with responsibility for Exchequer functions" should be used to acknowledge receipt of income received.
- 19.3.6 Records should be kept of any receipts issued and stored for the required retention period.
- 19.3.7 Payments received via electronic transfer, direct debit, BACS, cheque or some other non-cash method do not require a formal receipt unless requested by the payer.
- 19.3.8 **Substitution:** No means should be used to exchange cash collected on behalf of the Council for personal purposes.
- 19.3.9 **Unidentified Income:** Any unidentified income received should be accepted and banked and allocated to the correct account as soon as possible.
- 19.3.10 **Transfer of Income:** Every transfer of official money from one member of staff to another must be recorded and signed for by the receiving officer. On no account shall cash or cheques be transferred between sections using the internal post system.

## 19.4 RECOVERY AND WRITE-OFFS

- 19.4.1 **Recovery Procedures:** Services must establish appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly. Any recovery procedure utilised must conform to the Council's *Collection and Recovery Policy*.
- 19.4.2 **Write-Offs:** Debts due to the Council may only be written off in accordance with the following rules:-
- a) by designated officers of a service where the debt is £50 or less and appropriate steps have been taken to collect the debt such that it has been deemed irrecoverable. The write off should subsequently appear on the quarterly report received by the Statutory Chief Finance Officer or Nominated General Finance Manager;
  - b) by the Statutory Chief Finance Officer or Nominated General Finance Manager for other debts where the amount for any one debtor is less than **£5,000**;
  - c) if they are **penalty charge notices** they can be cancelled in accordance with the Parking Enforcement Policy, or written off under the authority of the Nominated Director or Head of Service with responsibility for Enforcement;
  - d) if they relate to housing rent income which has been waived as **rent free weeks** under the authority of the Nominated Director or Head of Service with responsibility for Housing;
  - e) in all other cases by the Executive, or other relevant committee.
  - f) The total value and number of write-offs carried out by officers, under the delegated powers outlined above, should be reported to the relevant committee each year.
- 19.4.3 Sufficient information about the debt and recovery action taken must be provided and documented before authorisation for write-off can be given.
- 19.4.4 A record must be kept of all write-offs authorised and actioned which is totalled at the end of each financial year.