

APPENDIX 1

BANKING PROCEDURES

- 1) Tendering for banking services will be ascertained every 5 years
- 2) The bank will provide the necessary accounts for the safe keeping of all Hospice cash. This will include for the Hospice.
 - Current Account
 - High Interest Account
 - Patient Monies Accountand for the Trading Company
 - Current Account
 - High Interest Account
 - Lottery Accounts – Standing Orders
Prizes
Collectors' cash
 - Raffles Account
- 3) The level of cash in the Current Account at the end of each day should not exceed £1,000, the balance being transferred to the High Interest Account.
- 4) Cash collected on each site should be banked daily, there should be no more than £3,000 kept in any one safe. Security of cash is dealt with separately. Separate arrangements will be made for fundraising events so that cash can be banked through the night safe system or collected by security carrier.
- 5) The Director of Finance will be the only contact with the Bank(s)
- 6) Statements for all Accounts will come direct to the Director of Finance or some other authorised officer as he/she permits.
- 7) Cheques and other bank documents must have two signatures as per the bank mandate. A cheque made out to any person who is a cheque signatory must be signed by two other signatories.
- 8) Transfer of money to a Bid Deposit Account to gain more interest will be sanctioned by the Director of Finance unless moving money to another bank for a better deal by CHAPS, where two signatures will be necessary.
- 9) The bank mandate will be reviewed annually.
- 10) The bank mandate will include the following signatures of those persons eligible to sign on behalf of the Hospice.
 - Chief Executive
 - Director of Finance
 - Treasurer

- Chairman of Council
 - Two Council Members
- 11) All cheque books/paying in books will be kept by the Finance Manager and distributed, when necessary, to authorised finance staff.
- 12) Computerised cheques will be sanctioned by the bank and printed in accordance with accounting standards. These cheques will be kept by the Finance Manager and issued when necessary.

APPENDIX 2

SECURITY OF CASH

- 1) All cash received at the Hospice should be counted, logged and banked daily unless there is insufficient cash when the next appropriate day will be acceptable. Receipts should be given for all cash received.
 - For insurance purposes, cash must be transported to the bank as follows:-
 - Up to £2,500 must be carried by one person
 - Up to £5,000 must be carried by two persons
 - Over £5,000 must be transported by Security Courier
- 2) All donations handed into the Organisation during office hours must be given a receipt by the Finance Assistant, who must count the money in the presence of the donor, wherever possible.
- 3) Donations handed in after 5 p.m. and at weekends must be placed in the special envelopes provided and all details on the front of the envelope must be completed in the presence of the donor.
- 4) All envelopes must be signed by the receptionist and then posted through the Finance Office letterbox and the out-of-hours safe accessed at the exterior of the Admissions office at X.
- 5) Coffee bar takings and meal ticket sales must be collected daily. Vending machines and donation boxes located in Reception to be collected weekly. All monies to be logged and banked.
- 6) Cash received for raffles, tombolas, Y sales and other Organisation fund raising events must be logged daily and banked as appropriate.
- 7) Fundraising events.
 - Monies raised must be counted in the presence of two people (one of whom must be an authorised Organisation representative) at the event and signed for, before being taken home.
 - If counting the money at the event is not possible, the money should be placed immediately in a sealed bag and signed for in the presence of two people. This can be left at the venue overnight in a safe.
 - Cash should not be taken home from an event. Any money taken away from the fundraising event must be either banked, transported immediately to the Hospice and deposited in the overnight safe or returned to the Finance Department unless agreed in advance with the Director of Finance. **Staff and volunteers are only insured to carry £1,000.**
 - Cash should always be counted by at least two people and a witness coupon completed. Staff should never accept sums of money uncounted.
 - A numbered receipt should be produced for each sum of money received. The top copy to be given to the donor, the second copy to accompany the

witness coupon and returned to the Finance Office. The third copy remains in the receipt book for audit purposes.

- All static collection boxes (other than for private use in the home i.e. 'Home Money Boxes')) should be issued sealed. The seals should be signed by a member of staff not involved in the collection. Seals should be checked when boxes are returned. Any evidence of tampering should be reported immediately to the Director of Finance. All boxes should be issued with a unique number and a list kept of number, name and address where the box has been placed. (see separate guidelines for collection boxes)
- Volunteers aged 75+ are not insured to handle cash.
- All receipt books should be kept by the Finance Manager and allocated as necessary by receiving a signature from the receipt book holder and a list kept of the numbers against that person's name.

8) Petty Cash

The Centres have each been allocated £1,000.00 and the X Centre £500.00 which is reimbursed through the imprest system.

Cash items paid through Petty Cash should be kept to small amounts where possible. Supplies should be ordered on the office order form and paid through the purchase ledger. A petty cash receipt must be made out for each transaction. By the 25th of each month the Petty Cash Book should be totalled and the receipts verified to the book. All amounts spent will be reimbursed so that the balance at the end of every month is always £1,000.00/£500.00.

- 9) The holders of safe keys shall not accept unofficial funds for depositing in their safe unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositor that the Organisation is not to be held liable for any loss, and written indemnities must be obtained from the organisation by the individual absolving the Organisation from responsibility for any loss.

APPENDIX 3

PAYROLL PROCEDURE

- 1) the Organisation pays all staff according the Organisation 's Pay Spine and the point on the spine will be determined by the job in question when the staff member commences employment.
- 2) All staff are paid monthly on 20th day of each month, the pay being 1/12 of the annual salary. Bank staff and extra hours are paid one month in arrears.
- 3) Payment to staff is made through the BACS system for which the following information is required of all staff:-
 - Bank Name and Address
 - Sort Code
 - Account Number
- 4) Payslips will be available for all staff on pay-day, for collection on each site.
- 5) All rosters should be kept up-to-date and at the end of the set period signed by the department head and sent to the Payroll Officer.
- 6) The Organisation's Pension Fund is available for all new members of staff to join. Any employee already paying into XPension Scheme may continue to do so. If an employee chooses not to join the hospice scheme at the time of commencement but decides at some later date that he/she wishes to do so, then application must be made to the Pension Fund Trustees, via the Chief Executive who will make their decision. If this decision is favourable the employee may be required to undertake a medical examination which will be at his/her expense.
- 7) Any errors in pay will be rectified the following month. Only in exceptional circumstances, determined by the Director of Finance, will staff be reimbursed by cash/cheque. Any overpayment must be claimed in one amount the following month.
- 8) Tax refunds will be automatically paid as per information provided by the Tax Office and not by information supplied by the employee.
- 9) Any national insurance amendments will be made the following month, unless too large to rectify in one month. The Director of Finance will determine the period of time which shall not exceed one year. Refunds will be given in total the following month.
- 10) Staff terminating their employment should provide the necessary notice in writing as per the Staff Manual. A P45 will be issued on termination and any monies due for holiday entitlement not taken to date of termination will be paid. Any monies owing by the staff member to the Organisation at the time of termination will be deducted from the last month's pay.

- 11) The pay spine will be reviewed annually and any increases will be paid from 1st April each year.
- 12) All information contained in the payroll is strictly confidential and must not be divulged in any format to another employee. The Director of Finance must be informed of any such requests.
- 13) The Director of Finance shall ensure that all payroll deductions are paid to the appropriate bodies each month

APPENDIX 4

TRAVEL EXPENSES - PROCEDURE

- 1) Application for designation must be made to the Director of Finance. Acceptance\rejection will be determined as soon as possible after the application is received and informed in writing to the applicant.
- 2) Staff are requested where possible to share transport between sites and to external seminars/conferences.
- 3) Travel Claim Forms will be issued which must be completed monthly and countersigned by the Line Manager.
- 4) All forms to be received by the Finance Assistant no later than the fifth working day after the end of the month.
- 5) All forms to be signed by the applicant who is declaring that all entries on the claim form are for Organisation business only
- 6) Expenses will be paid between 12th and the 15th of the month following the claim as long as the procedure at No. 4 has been adhered to.
- 7) All expenses will be paid through the BACS system. The Finance office will require the following bank details before a claim is made:-
 - Bank Name
 - Branch/Address
 - Account number
 - Sort Code
- 8) A requisition slip will be issued after a payment has been made.
- 9) The rates paid will be those applicable at the time of the claim.

10) Frequent Users

Certain members of staff will be designated Frequent Users (business mileage in excess of 200 miles per month) and will be paid the rate allowed by the Inland Revenue for the size of car applicable at that time. The additional allowance (lump sum) will be paid monthly through the payroll and will be subject to Tax and National Insurance. All frequent users will be issued with an end of year report for self-assessment purposes.

APPENDIX 5

PROCEDURE FOR REQUISITION AND SUPPLY OF GOODS AND SERVICES

- 1) Requests for goods and services must be within the budget allocation for that department or unless authorised by the Director of Finance or Chief Executive.
- 2) All requisitions for supplies must be made on the official purchase order requisition forms, signed by the head of department/authorised assistant only. No orders will be accepted by word of mouth.
- 3) Orders will be processed by the Finance Assistant once a week unless of an extremely urgent nature when they will be administered as soon as possible.
- 4) Any requests for orders where the individual item is in excess of £250 must be sanctioned by the Director of Finance before being processed.
- 5) The Finance Assistant responsible for placing orders must obtain three prices from three different companies for items over £250.
- 6) Any orders authorised by the Director of Finance to be place by a department must be copied to the Finance Assistant.
- 7) The Finance Assistants are responsible for ensuring all deliveries are received on the required dates and that goods are checked in against delivery notes and any defects/incorrect goods are notified to the supplier, chasing up non-deliveries at regular intervals.
- 8) All invoices must be calculated and checked to delivery notes and the information input onto the accounting system. The Director of Finance/Management Accountant will check all transactions are coded correctly before posting to the Purchase Ledger/Nominal Ledger.
- 9) Suppliers will be paid through the BACS system by the 15th of the month following the invoice date. All bank details must be requested from the supplier as soon as possible after the first order is placed.
- 10) Maintenance Contracts will be acquired by the Finance Department for:
 - Central heating boilers
 - Cooking equipment
 - Refrigeration equipment
 - Stand-by generators
 - Relevant equipment
 - General equipment
 - Baths
 - Lifting equipment
 - Fire detection system
 - Call system
 - Computers

- 11) These contracts will be reviewed annually and renewed where necessary and sanctioned by the Director of Finance.
- 12) Internal and external decoration will be carried out on a five year rolling programme. A contract for the work will be reviewed every 3 years.
- 13) Cleaning\Laundry - Contracts will be reviewed every three years.
- 14) Any replacement of equipment must be detailed at budget setting unless urgently required during the year. Three quotations must be sought and the Director of Finance will make the final decision.
- 15) Any maintenance requests under £200 in value will be completed by the Support Services Manager. Requests over £250 must have at least three quotations. The Director of Finance will examine all quotations and make the final decision.
- 16) Competitive tendering will be undertaken in respect of all capital requirements over £50,000. Invitations to tender shall be sent to a sufficient number of firms to provide fair and adequate competition as appropriate, having regard to their capacity to supply the goods or materials or to undertake the services or works required. The Chief Executive will be responsible for the setting up of a panel to consider the tenders and will report the panel's decision to Council for their approval.

APPENDIX 6

EXTERNAL BORROWING

- 1) External borrowing for cash flow purposes will be restricted to short term borrowings not exceeding 6 months duration.
- 2) Overdraft/loan for the purposes at (1) must not exceed £250,000.
- 3) The ability to pay back the loan and interest must be ascertained before entering into any borrowing and a report submitted by the Director of Finance to the Chief Executive.
- 4) Long-term borrowing for capital ventures will be discussed with the Hon. Treasurer and recommendations made to the Finance Committee and the Hospice Council before tendering commences.
- 5) Private finance will be considered as an alternative to a bank loan for capital ventures, but the Chief Executive/Director of Finance must satisfy the Finance Committee that the use of private finance represents value for money and genuinely transfers risk to the private sector.

APPENDIX 7

FINANCIAL MANAGEMENT OF CAPITAL INVESTMENT PROJECTS INCLUDING VARIATIONS TO CONTRACT

- 1) All capital expenditure exceeding £3,000 will be sanctioned by the Director of Finance in conjunction with the Chief Executive.
- 2) Three quotations are necessary for projects with a value up to £100,000. Amounts exceeding that value must be put out to tender. Tendering procedures will then apply.
- 3) The procedures for the supply of goods and services will then come into effect.
- 4) Any large projects with periodical payments must be detailed at the start and provision made in the cash flows to accommodate these payments.
- 5) Any variations to contract must be in writing and if the said variations exceed 25% of the original cost, then approval to continue must be sought from the Director of Finance.

APPENDIX 8

FIXED ASSET REGISTER

1. The Organisation shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers.
2. Additions to the fixed asset register must be validated by a special Organisation label and numbered accordingly in the fixed asset register. Copies of appropriate invoices must be logged.
3. Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). No capital assets shall be disposed of without the prior approval of the Director of Finance (part-exchange of assets is deemed to be a disposal in this context).
4. The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
5. The value of each asset shall be depreciated using accepted methods and rates.
6. Professional valuations of land, building, plant and equipment shall be undertaken every 5 years by a qualified professional valuer who will be selected by the Director of Finance.

APPENDIX 9

SECURITY OF ASSETS

1. Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:
 - (a) recording managerial responsibility for each asset;
 - (b) identification of additions and disposals;
 - (c) identification of all repairs and maintenance expenses;
 - (d) physical security of assets;
 - (e) periodic verification of the existence of, condition of, and title to, assets recorded;
 - (f) identification and reporting of all costs associated with the retention of assets;
 - (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
2. All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance.
3. Whilst each employee has a responsibility for the security of property of the Organisation, it is the responsibility of directors and senior employees in all disciplines to apply such appropriate routine security practices in relation to property as may be determined by the Council. Any breach of agreed security practices must be reported in accordance with instructions.
4. Any damage to the Organisation's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses.
5. Where practical, assets should be marked as Organisation property.

APPENDIX 10

DISPOSALS AND CONDEMNATIONS

1. When it is decided to dispose of an Organisation asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate and shall not dispose of the asset without the prior approval of the Director of Finance or a nominated representative.
2. All unserviceable articles shall be:
 - (a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance\Chief Executive.
 - (b) recorded in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.

The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

3 LOSSES AND SPECIAL PAYMENTS

Any employee discovering or suspecting a loss of any kind must immediately inform their head of department, who must immediately inform the Chief Executive and the Director of Finance. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved, but if the case involves suspicion of fraud, then the particular circumstances of the case will determine the stage at which the police are notified.

4. For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, except if trivial and where fraud is not suspected, the Director of Finance must immediately notify:
 - (a) Chief Executive
 - (b) Chairman of Council

The Director of Finance shall be authorised to take any necessary steps to safeguard the Organisation's interests in bankruptcies and company liquidations.

5. For any loss, the Director of Finance should consider whether any insurance claim can be made against insurers.
6. The Director of Finance shall maintain a Losses and Special Payments Register in which write off action is recorded.

7. No special payments exceeding delegated limits shall be made without the prior approval of the Finance Committee.

APPENDIX 11

X's VALUABLES\CASH

- 1) On admission X should be asked how much cash he\she has with them and if the sum exceeds £10 enquire of the patient if a relative can take the remainder of the money home. If this is inappropriate, then the money should be checked by 2 Y's, put in the appropriate envelope and taken to the Finance Office, where a receipt will be issued in the patient's name. The patient may draw on the cash that they have deposited with the Finance Department, by returning the receipt for amendment.
- 2) If the sum deposited exceeds £200 then this cash will be paid into the Organisation's X' Account and a cheque will be forwarded to the patient after discharge. If the sum is less than £200 then the money will be kept in the safe and will be returned to the patient on production of the receipt issued by the Finance Office for which a signature will be required.
- 3) If X dies, any valuables/money should be placed in the appropriate envelope and deposited with the Finance Office. When collecting the death certificate, the next of kin will be given any valuables/money under £100 on receipt of their signature. Money over £100 will have been paid into the bank and an Organisation indemnity form will be handed over which should be completed and returned to the Director of Finance. A cheque will be issued in due course
- 4) If X dies without relatives or friends able or willing to arrange the funeral, then the arrangements will be undertaken by the appropriate Social Service Finance Section. The Finance Officer from Social Services will register the death, collect all property and valuables and arrange the funeral. This arrangement is not always automatic and the department at Social Services will wish to make quite sure no one, e.g. a friend can take on this responsibility.
- 5) In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by an amendment to the Administration of Estate, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

