

Finance Policy

October 2021

Healthwatch Cornwall Financial policy

Amendments to the following policy may only be implemented with the authorisation of the Board of the Company.

It is the policy of Healthwatch Cornwall to:

- a) Work to a finance strategy as set out in the Company's annual business plan
- b) Comply with relevant legislation
- c) Manage cash flow to remain in credit at all times
- d) Invest reserves so as to secure a competitive return without incurring any undue risks
- e) Collect all debts within 40 days of invoicing
- f) Secure all income due to the Company including recovery of tax wherever appropriate
- g) Take out adequate insurance to cover liabilities and assets

Financial Planning

- a) Before the 31st of March each year the Company shall prepare a business plan for the following 12 months and the resource requirements for its implementation.
- b) The business plan and the annual budgets shall be circulated to the Board before the commencement of the financial year for



their comments and ratified at the Board meeting immediately after the commencement of the financial year.

- c) Board members must be involved in developing the mission, vision and strategies to achieve the Company's objectives. The approval by the Board of the business plan should be after careful consideration of its content.

The Authorisation of Expenditure

The whole of the finances of the Company shall be subject to control by the Board, which shall be responsible for any commitment and expenditure consistent with relevant legislation, and the regulations and requirements governing the stewardship of public funds. Expenditure is regarded as either of a capital or an operational nature.

Capital Expenditure

For the purposes of these regulations, capital expenditure is defined as that upon any assets recorded as fixed assets in the Company balance sheet. This includes any building, installation, item of plant or equipment, fixture, fitting, vehicle, land (whether leasehold or freehold) or any other item which:

- i. Is bought or fabricated at a net of recoverable VAT cost of £1,000 or more (per item or the collective value of a group of items); and
- ii. Has an estimated useful life of more than one year; and
- iii. Can be separately identified throughout its life.

Operational Expenditure

Operational expenditure is that incurred as part of the normal activities of the Company and which shall be charged in full as expenditure during the financial year, in which the transaction occurs save for normal year end pre-payment and accrual arrangements.

- i. Operational expenditure may be incurred if it is in accordance with the business plan and agreed by the Board. Any income and



- expenditure outside of the scope of the business plan should be referred to the Board prior to any commitment.
- ii. The budget should include forecast cash positions with sensitivities for the forthcoming year, together with the income and expenditure targets for the year.
 - iii. The Board shall receive, at least quarterly, a financial report.

Orders for Work, Goods and Services

- i. Official orders shall be in a prescribed form and consecutively numbered, using a Word template where appropriate stored on the server. No other type of order form shall be used. Orders will be prepared by the Business Support Team.
- ii. The Chief Executive shall be responsible for all orders issued by the Company and for ensuring that the cost is covered within the approved estimates or by specific financial provision. The Chief Executive shall restrict the delegation of power to issue orders to officers of reasonable seniority
- iii. Official orders shall be given in respect of all goods and services to be supplied or performed and logged on the Finance Log (with the exception of rent, rates, public utility supplies, petty cash purchases and any other items specifically approved by the Board). Orders may be given verbally at the discretion of the Business Support team who will undertake to follow up with a written order where appropriate
- iv. Debit card purchases may be made when it is not possible to pay for goods by invoice. All such purchases must be made by the Business Support Team as laid out in the Finance Protocol (see appendix 1)
- v. Levels of financial authority for the placing of orders (excluding VAT) are as follows :
 - a) Orders under £500 may be signed by a budget holder
 - b) Orders between £500 and £1,000 must be signed by one authorised signatory.



- c) Orders between £1,000 and £5,000 must be approved by two authorised signatories.
- d) Orders over £5,000 must be approved by the Board.

Tenders

- i. Quotations or tenders in writing shall be invited for contracts for all goods and services (excluding rates, public utility supplies, etc.) as follows :
 - a. Where the estimated value is less than £750 Healthwatch Cornwall shall ensure a competitive price by obtaining at least one quotation.
 - b. Where the estimated value is between £750 and £5,000 Healthwatch Cornwall shall ensure a competitive price by obtaining at least two written quotations.
 - c. Where the estimated value exceeds £5,000 it shall be subject to the tendering procedure set out below (nb. an email address "tenders@healthwatchcornwall.co.uk will be set up for this purpose). All emails to prospective tenderers shall indicate the last day for return of the tender.
- ii. All emails inviting tenders shall inform prospective tenderers their responses should be returned to the Tender email address with a subject line "Tender" followed by the subject to which it relates and the date/time by which it is to be returned. Only tenders received in this email box shall be valid.
- iii. All late tenders shall be disregarded as shall tenders which the tenderer wishes to amend after the closing date.
- iv. All tenders shall be opened on the day following the last day for return by a Board member in the presence of the Chief Executive.
- v. A record shall be kept by the Company of all such tenders.
- vi. Generally, the lowest tender or quotation shall be accepted, unless it is considered unsuitable and in such a case the Chief Executive shall provide to the Board an explanation of the circumstances that apply.



It is important for the Board to consider the overall value for money provided. Where possible HC will seek to award tenders to local suppliers.

- vii. Any Board Director with any connection to or any interest in a firm providing a tender shall declare their interest before the item is considered.

Authorised Signatories

- i. The Chief Executive
- ii. The Chair
- iii. Two further Directors as determined by the Board
- iv. The BSM and Admin Officer as processing personnel also have first signature for BACs payments

Payment of Accounts

- i. The Chief Executive or similar nominated post and such persons as may be nominated by him/her for this purpose shall be responsible for the examination and verification of invoices relating to the Company prior to payment. All invoices for payment must be verified, and checked against the purchase order to ensure that the goods or services have been supplied, that the invoice total is correct and that it has not been previously passed for payment.
- ii. The Chief Executive shall examine verified accounts passed to him/her for payment and shall be entitled to receive such information and explanations as he/she may require.
- iii. The Chief Executive or similar nominated post shall certify and pass for payment all accounts which he/she is satisfied are in order.
- iv. Scheduled payments for goods and services with a total value already authorised under Orders for work, goods and services section v. above can be approved under section iii above.



- v. All BACS payments shall bear two signatures from the list of signatories approved by the Board and notified to the Company's bankers.
- vi. At the time BACS payments are signed the signatories must review the supporting documentation.
- vii. Where payments are in favour of the Chief Executive (e.g. travel and subsistence reimbursements), the Chair (or in his/her absence a Board member) shall certify them.

Imprest Accounts

- i. The Chief Executive or his/her nominated person may draw by imprest up to £300 at any one time for petty cash expenditure on behalf of the Company.
- ii. The Chief Executive shall make such advances as he/she considers necessary to meet petty cash payments and for use as change floats subject to limits approved by the Board.
- iii. Payments from petty cash imprests shall be limited to £100 and only for exceptional incidental expenditure where the full ordering procedure is not feasible. Receipts / notes of payment are required in all cases, with records maintained by the relevant nominated person.
- iv. All cash shall be kept locked up at all times and access should be restricted to individuals nominated by the Chief Executive.

Income

- i. All accounts for income due to the Company shall be rendered by the Chief Executive or his/her nominated deputy.
- ii. Any money received on behalf of the Company shall be paid intact into the Company's bank account at the earliest opportunity and shall not be used to defray expenditure.
- iii. No bad debts may be written off without the approval of the Board.



- iv. The Chief Executive should ensure that all input and output VAT is accounted for.

Insurance

- i. The Chief Executive shall arrange for insurance cover in respect of all statutory insurance and for all assets under the control of the Company. The assets should be insured against fire, theft and such other perils as might be appropriate.
- ii. Any other appropriate insurance shall be effected.
- iii. The Chief Executive must ensure that any insurance is agreed by the Board and reported annually to the Board.

Inventory

The Chief Executive shall maintain an Asset Register of furniture, plant, equipment and any such similar items.

This is a controlled document. It should not be altered in any way without the express permission of the author or their representative. On receipt of a new version, please destroy all previous versions.					
Document No.	QP016.3		Original issue date:	06/06/2018	
Document Title:	Finance Policy		Author:	Business Support	
Version:	1	Pages:	7	Last reviewed:	25/07/2023
Approved by:	Board of Directors		Next review:	25/07/2025	



Appendix 1: Invoice processing and payment procedure

Purchases

- Before placing any orders for goods or services, make sure you complete a '[Purchase order request](#)' form and gain approval from your manager – request a PO number from the Admin team.
- If the supplier is unable to invoice and requires payment by Debit Card, complete a '[Debit card request](#)' form instead and ask your manager for approval – request a DC number from the Admin team.
- Send your completed Purchase order/Debit card request form to admin@healthwatchcornwall.co.uk
- Give the PO number to the supplier when placing the order and ask that they quote it on their invoice.
- All invoices should be emailed to admin@healthwatchcornwall.co.uk
- The Admin team record all purchase/debit card requests, invoices and regular monthly/annual subscriptions etc., on the '[Finance log](#)'.

Invoices and payment

- Once received, invoices are filed and collated into a 'batch' and submitted for approval.
- All invoices require approval by the Business Support Manager (up to £500) or the Chief Executive (£500 and above) before they can be paid.
- Once approved, the weekly batch of invoices is processed for payment.
- All invoices, with the exception of those that are prepaid by Debit Card or Direct Debit, are paid by direct bank transfer (BACS).
- All approved invoices are entered on Xero and a separate batch for bank transfer (BACS) payments is created online with Lloyds Bank. Where there are only a couple of invoices requiring payment, these



may be held over until the following week. Conversely, where an invoice requires urgent payment this can be processed separately.

- This payment is authorised by the BSM or Admin Officer as first authoriser and details of the BACS payment and supporting documentation is forwarded by email to the Chair, or in their absence a nominated Board member for second authorisation.
- The Chair, or in their absence the nominated Board member, log into the Lloyds online banking system and approve the payment/s.
- Payment cannot be made until approval has been given by both approvers.
- If approval is not given within 48 hours of submission Business Admin will send a reminder or will revert to an alternative authoriser – for this reason it is essential that the Admin team are kept informed of the Chief Executive and Chair's holiday dates etc.
- Once approved remittances are then issued, and the invoices paid.
- Invoices received by 9am on a Tuesday will be processed by the end of that week and payment made on the next bank payment/BACS run, usually by the end of that week, or in accordance with the supplier's payment terms.

Any invoices received after 9am on a Monday will not be processed until the following week.

Petty cash

- A petty cash float is currently held in the safe in the office.
- The Chief Executive withdraws a £300 'float' as required, and small purchases for items such as milk, tea/coffee, stamps etc., can be taken from petty cash.
- Complete a petty cash voucher and attach the till/purchase receipt.
- The Admin team keep a record of all purchases and balance the petty cash at the end of every month for reconciliation with the monthly figures.



Staff travel expenses

- Requests for reimbursement of travel expenses are made paid out by a staff member are also paid by bank transfer/BACS. Travel expenses include mileage, public transport, parking and subsistence (meals).
- These expenses are paid in the weekly BACS run.
- A '[Travel expense form](#)' must be completed for each new claim and submitted, along with any receipts, to the relevant manager for approval.
- The manager must then forward the claim with their approval via email to admin@healthwatchcornwall.co.uk.
- All travel expense claims are recorded on the Finance log and included for payment in the weekly finance batch.
- As such these claims must be received by 9am on a Tuesday to be paid by the end of the following week.

Miscellaneous expense claims

- Requests for reimbursement of miscellaneous expenses paid out by an individual (not including personal/mileage/subsistence expense claims) e.g. stationery items, are also paid by bank transfer/BACS.
- These expenses are paid in the weekly BACS run.
- A '[BACS request form](#)' must be completed for each new claim and submitted, along with any till/purchase receipts, to the relevant manager for approval.
- The manager must then forward the claim with their approval via email to admin@healthwatchcornwall.co.uk.
- All miscellaneous expense claims are recorded on the Finance log and included for payment in the weekly finance batch.
- As such these claims must be received by 9am on a Tuesday to be paid by the end of the following week.



Volunteer Expenses

- Volunteer expenses include mileage claims, equipment purchases
- These expenses are paid in the weekly BACS run.
- A '[Volunteer Expense Claim](#)' must be completed for each new claim and submitted, along with any till/purchase receipts, to the relevant manager.
- The manager must then forward the claim with their approval via email to admin@healthwathcornwall.co.uk.
- All volunteer expenses are recorded on the Finance log and included for payment in the weekly finance batch.
- As such these claims must be received by 9am on a Monday to be paid by the end of the following week.



Appendix 2: Other information

Department and Nominal codes

Departments

Each area of the business has its own budget, and these are designated by 'Department codes'.

Dept Code	Department
1	Healthwatch Cornwall Core
5	Partnership Boards
15	Maternity Projects

Chart of Accounts

All accounts as at 28 June 2023

Code	Account Name	Type	Comments
9998	Suspense Account	Overhead	Unallocated costs
877	Tracking Transfers	Current Liability	Transfers between tracking categories
860	Rounding	Current Liability	An adjustment entry to allow for rounding
840	Historical Adjustment	Current Liability	Accounting and starting balance adjustments
820	VAT	Current Liability	Not in use at present as everything is no VAT
801	Unpaid Expense Claims	Current Liability	Not in use at present
7260	Depreciation	Depreciation	Year on year calculation depreciation of fixed assets
7252	Board Meeting Costs	Overhead	Costs relating to Board meetings
7251	Board Expense Claims	Overhead	Miscellaneous Board Expenses
7241	External Legal Support	Overhead	Not in use at present, use 7240 below
7240	Legal	Overhead	One-off unexpected legal costs
7232	Subscriptions & Memberships	Overhead	BMJ, ICO, NCVO
7231	Licences	Overhead	Adobe, Visio
7230	Insurance	Overhead	Buildings and public liability



7225	Recharge to Overheads	Overhead	Management re-charge from depts to core
7224	Recharge to Admin Support	Overhead	Management re-charge from depts to core
7223	Staff Travel Expenses	Overhead	Mileage, public transport,
7222	Pensions	Overhead	Employer pension
Code	Account Name	Type	Tax
7221	Employer NIC/PAYE	Overhead	Employer HMRC
7220	Salaries	Overhead	Gross salaries
7213	Volunteer meeting costs	Expense	Costs relating to Volunteer meetings
7212	Volunteer training	Expense	Costs relating to Volunteer training
7211	Development	Overhead	Costs relating to Development
7210	Research DUPLICATE DO NOT USE	Overhead	
7201	Consultancy Fees	Expense	For consultancy not covered under salaries
7200	Projects	Overhead	Costs relating to specific projects
7199	Volunteer Travel	Overhead	Costs relating to Volunteer travel
7198	Research	Overhead	Costs relating to Research
7197	Ops - Communications	Overhead	Management re-charge from depts to core
7196	Ops - Marketing	Overhead	Facebook, Canva, Twitter, Google, Mailchimp
7195	PPV daily rate	Expense	PPV payments to Chair & Vice Chair KMVP
7194	Vol travel DUPLICATION DO NOT USE	Overhead	
7193	Ops - Outreach & Events	Overhead	Including RCS
7192	Ops - Outreach Merchandise	Overhead	Merchandise for engagement & events
7191	Ops - Meeting Costs	Overhead	Costs of staff meetings
7190	Ops - Conference Events	Overhead	For Annual Conference (if held)
7179	0800 Number	Overhead	Freephone number (Daisy)
7178	Broadband	Overhead	Broadband (Zen)
7177	Staff Mobiles	Overhead	EE various contracts
7176	Telephony	Overhead	ITEC new proposal
7175	Stationery	Overhead	Notebooks, paper etc
7174	Postage	Overhead	Freepost licence and misc postage
7173	Copier Lease	Overhead	Quarterly lease cost
7172	Photocopies	Overhead	Monthly charge for copies
7171	IT Support Contract	Overhead	ITEC
7170	General Expenses	Overhead	Milk, coffee, tea, cleaning products etc
7161	Equipment - Office	Overhead	Chairs, tables, computer ancillaries
7160	Equipment - Computers	Overhead	Physical IT equipment
7153	Training & Personal Development	Overhead	For Staff and Directors
7152	Staff Wellbeing	Overhead	Staff wellbeing
7151	Recruitment	Overhead	Staff recruitment costs



7150	External HR Support (Mentor)	Overhead	RBS MEntor
7149	Employee Assistance	Overhead	Currently with Health Assured
7132	Bank Charges	Overhead	Monthly bank fees
7131	Accountant	Overhead	Accounts prep for Companies House
7130	Finance Support	Overhead	Pixie Payroll, Pure Lemons
7124	Website	Overhead	Circle – monthly fee
7123	Reports	Overhead	One off report eg Easy Read
7122	Advertising (7122)	Overhead	One off advertising costs
7121	Marketing DUPLICATE DO NOT USE	Overhead	
7120	Communications Agency Contract	Overhead	External comms agency
Code	Account Name	Type	Tax
7114	Miscellaneous cleaning	Overhead	Towels, window cleaning
7113	Waste disposal	Overhead	Suez, Shred-It
7112	Office Cleaning	Overhead	Weekly cleaning contract
7111	Repairs	Overhead	Small officer repairs
7110	Maintenance	Overhead	Routine office maintenance
7104	Service Charges	Overhead	Maintenance charge by landlord
7103	Water	Overhead	South West Water
7102	Electricity	Overhead	EDF
7100	Rent	Overhead	Lease on office
6202	Miscellaneous Purchases DO NOT USE	Direct Cost	
6101	Advertising DUPLICAT DO NOT USE	Direct Cost	
5000	Charitable Expenditure – Grants Payable	Direct Cost	
4021	Miscellaneous Income	Sales	Hire of rooms, one off HE payments
4016	Grants Received	Sales	Grant Agreements (KMVP
4011	Project income	Revenue	For specific commissioned work
4010	Contract Income	Sales	Core, Partnership Boards
4000	Donations Received	Sales	
3201	Movemybooks Suspense Account	Equity	
3200	Reserves B/Fwd	Equity	
	Do not Use		
2230	Pension Fund	Current Liability	Payments due to NEST
2220	Net Wages	Current Liability	Payments due to staff
2210	P.A.Y.E.	Current Liability	Payments due to HMRC
2101	Deferred Income	Current Liability	Income to defer to later period
2100/1	Creditors Control Account	Current Liability	Invoices received but not paid
1250	Accumulated Depreciation Account	Fixed Asset	Depreciation account
1240	Fixed assets	Fixed Asset	List of Fixed Assets
1230	Petty Cash	Bank	



1200	Healthwatch Bank Account – 28994160	Bank	
1103	Prepayments	Current Asset	DDs paid to EDF, SW Water
1101	Deferred expenses	Current Asset	Expenses to defer to later period
1100/1	Debtors Control Account	Current Asset	Invoices raised but not paid

