

**UNIVERSITY OF WALES, BANGOR**  
**FINANCIAL PROCEDURES FOR COST CENTRES**

Title:	<b>Income and Banking</b>
Ref.:	FP97/1
Applies to:	All UWB Resource/Cost Centres
Operative date:	August 1998
Status:	Final ( <i>approved Finance and General Purposes Committee – 10 June 1998</i> )
Replaces:	
Summary:	This procedure documents the system to be followed when receiving and banking income.

## **1. Introduction**

- 1.1 Paragraph 9 of the University's Financial Regulations sets out the regulations to control the administration of income and the purpose of this procedure is to provide members of staff with greater detail than needs to be included in the Financial Regulations themselves.
- 1.2 The Head of Department or appropriate Manager should arrange for the general supervision and compliance of these procedures, which must be followed in accounting for income.

## **2. Receipts**

- 2.1 Individuals or Departments that are likely to receive income should request an official receipt book to record all money received.
- 2.2 Official receipt books are controlled stationery and are issued by the Cashier in the Finance Office. Receipt books should be kept in a secure place at all times. Where a department obtains stocks of receipt books a record of each receipt books' location/holders should be made.
- 2.3 Used receipt books and paying-in books should be retained for a period of six years to comply with the requirements of HM Customs and Excise.
- 2.4 Every remittance or sum of money received by a member of staff must be acknowledged by the issue of an **official** receipt, tillslip or similar document.
- 2.5 Receipts must always be completed with a permanent mark – pencil should not be used.
- 2.6 If it is necessary to cancel a receipt, both copies should have a line drawn through them and the word "Cancelled" written on them. The top copy of the cancelled receipt should be retained in the book.

2.7 The receipt should record:

- Date issued
- Name of the person/organisation paying the income to the University. If the money is not received from a person (e.g. a laundry machine or drinks machine being emptied) some description should be written so as to identify readily the source of the income. The issue of an official receipt of this “non-personal” type of income not only acknowledges the receipt of income, but ensure a full, comprehensive and chronological record of all income received for banking purposes.
- Reason for the receipt of income.
- Amount received noting the mode of payment – cash, cheque, credit card.
- Signed by the receiving officer noting also the Department.

2.8 Only one receipt book should be in use at any one time for each receiving officer, and all receipts must be issued in sequence.

### **3. Banking**

3.1 Income collected is **not** to be used as petty cash to fund minor disbursements. All income received must be banked intact i.e. cheques or other payable orders must not be cashed for income, nor should expenditure be met out of income collected.

3.2 Income collected should be banked either in the Finance Office or at the nearest branch of HSBC Bank. If you wish to bank direct to HSBC, contact the Finance Office who will arrange for you to be issued with a paying-in book which must be used each time you pay money into the bank.

3.3 Income should be banked each week or if £100 or more has been received, whichever is the sooner.

3.4 The value of the cash and cheques etc. held should be counted and checked to the total value of receipts issued. Any discrepancies between these two figures should be investigated. Where no obvious explanation to account for the discrepancies can be identified, the matter should be drawn to the attention of the Manager and noted on the income records. The Finance Office should also be informed in writing where amounts exceed £50 or 10% of income whichever is the lesser.

3.5 The amount and date of banking should be entered on the last receipt to show the point to which income has been banked. For example if the banking covers receipts numbers 080001 to 080014 a note on the copy of receipt numbered 080014 should be record the total amount for those fourteen receipts and the date banked.

3.6 An Income and Banking summary form, showing the details of:

- the Department/Unit name,
- the period the banking covers: from – to,
- a sequential reference numbering system,
- details of the income banked,
- code(s) to which the income is to be credited,
- invoice number if the income has been received in respect of a debtor invoice,
- amount split for VAT if appropriate,
- Details of the income's breakdown between cash, cheques etc.
- date paid to bank or Finance Office
- Signature of person responsible for completing and reconciling banking.

**4. Credit Card Payments**

- 4.1 Provided written authority of the Director of Finance has been given, resource centres may allow payment for services by the use of Visa/MasterCard/Delta/Switch etc.

The procedure for this is as follows:

1. Complete "Payment by HSBC form"
2. Ensure all details have been completed, paying particular attention to the expiry date on the card.
3. Enter details on the Income and Banking summary form in the usual way.

**5. Custody**

- 5.1 A member of staff having in their charge money, for which they are accountable to the University, shall take all reasonable precautions for its safe custody. Official money must be kept in a safe if one is available, but if not, it must be held in a secure situation at all times.
- 5.2 On no account should income be removed from University premises unless for its direct transfer to the bank or Finance Office. **Under no circumstances may officers take official monies home for security reasons without pre-arranged written approval from the Director of Finance.**
- 5.3 All transfers of income between staff must be recorded. For example, where a member of staff who collects income pays money in to their administrative centre, they must ensure they receive an official receipt by the receiving officer. The collecting officer's proof of discharge will be the receipt from the receiving officer, which should be permanently stapled to the collecting officer's receipt book.