

Policies, Procedures, Guidelines and Protocols

Document Details		
Title		Finance Procedure I1 : Banking Framework
Trust Ref No		786-60942
Local Ref (optional)		
Main points the document covers		Summary of the banking framework in use, the banking services used, and how they operate
Who is the document aimed at?		Staff dealing with bank accounts both within Finance and across the Trust
Author		Head of Financial Accounting
Approval process		
Approved by (Committee/Director)		Associate Director of Finance
Approval Date		19 August 2020
Initial Equality Impact Screening		Yes
Full Equality Impact Assessment		No
Lead Director		Associate Director of Finance
Category		Finance
Sub Category		Finance Procedures
Review date		28 August 2023
Distribution		
Who the policy will be distributed to		Distributed to senior staff as defined by directors.
Method		Electronically to senior staff & available to all staff via the Trust web-site
Document Links		
Required by CQC		
Required by NHLSA		
Other		
Amendments History		
No	Date	Amendment
1	July 2010	Change from OPG to Citibank & NatWest accounts, plus resulting changes to signatories panel
2	August 2014	Inclusion of section on card payments, removal of references to PCTs, amendments to job titles & other minor clarifications
3	August 2017	Change of bankers from Citi bank and NatWest accounts to RBS led service, and updated signatories.
4	August 2020	4.2.2,4.3.2 and 4.4.2 remote approval, Updated signatories in Appendix 1

Shropshire Community Health NHS Trust

Finance Procedures

Section I Banks & Cash I1 Banking Framework

1 – Introduction

- 1.1 The Trust's Standing Financial Instructions state that the Director of Finance is responsible for:
- a) Managing the Trust's banking arrangements
 - b) Advising the Board on the provision of banking services and the operation of bank accounts
 - c) Maintaining the security of cash, cheques and other negotiable instruments
 - d) Preparing detailed instructions for the operation of GBS and other bank accounts.
- 1.2 This procedure summarises the banking framework in use, lists the banking services used, and how they operate.

2 – Bank accounts used

- 2.1 The Trust has an RBS led service for exchequer funds, as with all public sector users the Trust has a Nat West account (as part of Royal Bank of Scotland Group (RBSG)).
- 2.2 In addition there is a separate Nat West account for charitable funds. Separate procedures exist for the operation of this account, although the principles remain the same.
- 2.3 Trusts can hold commercial bank accounts. If they do, the DH states that the average daily cleared credit balance must be less than £50,000. The Trust does not however have a need for a commercial bank account.

3 – Electronic banking

- 3.1 There is direct internet access via a PC through the on-line banking facilities – Bankline (the RBS/Nat West service). The systems are used to access and print daily bank statements, and make secure same day inter account transfers and faster payments from RBS bankline (see paragraph 4.4 and 4.5 below).
- 3.2 The Financial Accounting Manager is the nominated System Supervisor with overall responsibility for setting and maintaining security and user configuration. Any changes have to be authorised by two signatories from the signatory panel in Appendix A.

4 – Transaction services

- 4.1 The Trust operates a range of payment services from the exchequer accounts:
- 4.2 BACS electronic payment service
- 4.2.1 The Trust has BACS sponsorship facilities arranged with RBS/Nat West. BACS are funded on a two day cycle and the liability is automatically debited to the RBS/Nat West account. This is dependent on the RBS/Nat West unique Service

User Number (SUN) associated with a particular type of payment. The Trust sets a reasonable financial 'file limit' for the SUN operated, which is reviewed by the Financial Accounting Manager on an annual basis.

- 4.2.2 The Financial Accountant creates a BACS payment file, and produces a Payment Instruction Register from Oracle when carrying out a payment run. The Register and BACS submission report must be signed by two signatories or if working remotely email approval is required by two signatories from the approved list of signatories (see Appendix A).

4.3 Payable orders

- 4.3.1 The payable order (same as a cheque) is the payable instrument on which payments drawn on RBS/Nat West are made.
- 4.3.2 All payable order issues must be supported by The Payment Instruction Register which is produced from Oracle by the Financial Accountant, when carrying out a payment run. The register and payable order log must be signed or if working remotely email approval is required by two signatories from the approved list of signatories (see Appendix A).
- 4.3.3 It is the responsibility of the Financial Accountant to ensure that un-issued payable orders are properly safeguarded and stored (refer to Finance Procedure I5 – Controlled Stationery).
- 4.3.4 A reconciliation of payable order issues against presented items is included as part of the bank reconciliation.

4.4 Inter-account transfers to other NHS bodies

- 4.4.1 A secure same day internal account transfer system is operated to facilitate the movement of funds between NHS customers using the on-line RBS bankline service. All payments between NHS bodies are therefore made in this way.
- 4.4.2 An IAT payment report requires two signatories or two email approvals if remote working (see Appendix A) and copies of the Payment Instruction Register are retained by the Trust. Authorised preparers (Appendix A) submit the IAT using the RBS bankline bulk list service and an Authoriser (Appendix A) reviews the transfers before release and final approval. A preparer cannot also be an authoriser.

4.5 Faster payments

- 4.5.1 These are same day (almost instantaneous) electronic payments made on-line through RBS Bankline to any bank account. Costs are higher than for BACS and details are input manually to RBS, so the Trust only uses faster payments for urgent payments e.g. a pay advance when an employee has received no pay.
- 4.5.2 Preparation and authorisation is the same as for IAT (Inter Account Transfers) – see paragraph 4.4.2 above.

5 – Cash receipts (local banking facilities)

- 5.1 RBS/Nat West has in place a range of local banking facilities to enable the Trust to pay in and withdraw directly on its bank accounts.

- 5.2 Bank Giro Credit stationery is available for paying in at pre-arranged Nat West branches by cashiers throughout the Trust. Bulk pay-in of large sums is arranged through G4S via a Nat West Centre branch. This enables cheques, payable orders and cash for the direct credit of RBS/Nat West accounts.
- 5.3 Payable Orders are also used to obtain cash over the counter for limits set up under the encashment facilities by nominated Trust staff that requires proof of identity at the counter. This system is used to reimburse petty cash floats.

6 – Worldpay Merchant Services

- 6.1 Dental clinics across the Trust have Worldpay Streamline card terminals allowing them to take secure credit and debit card payments from patients, face to face, to cover their dental charges. As well as being convenient for patients, this reduces the amount of cash, clinics have to handle and bank.
- 6.2 Finance operates a card terminal for over the phone point of sale payments primarily for patient prescription payments and other accounts receivable invoices.
- 6.3 Funds are credited to the Nat West bank account as part of the GBS banking arrangements.

7 – Monitoring and reconciliation of bank accounts

- 7.1 Cash books showing daily cash balances for each of the exchequer accounts are maintained in Excel workbooks by the Financial Accounting section of the Finance Department, under the control of the Financial Accounting Manager. They are also used as a cash flow tool for daily balance monitoring.
- 7.2 The reconciliation of bank accounts is dealt with separately in Finance Procedure I9 – Bank Reconciliations.

References & associated documents

GBS user manual

Reviewed By _____

Date _____

Authorised By _____

Date _____

Shropshire Community Health NHS Trust

Finance Procedures

I1 Banks & Cash Appendix A Authorised Bank Signatories

Two of the signatories listed below are required on all BACS, payable order and IAT schedules.

Finance Department (Signatories)

Associate Director of Finance
Head of Finance
Head of Financial Accounting
Head of Management Accounting
Head of Costing & Contracting

Where possible, one of the signatories should be the Head of Financial Accounting.

Finance Department (Preparers)

Financial Accountant
Financial Accounting Manager
Senior Financial Accountant
Assistant Systems Accountant (if cover is required)