

18. Invoices and Accounts for Payment

Preamble

It is important that adequate arrangements are made at school for proper control to be exercised over the payment of invoices¹. These Financial Regulations seek to provide a consistent framework throughout schools, for the certification of and payment of invoices for goods and services received. As far as possible, different people should be involved in authorising orders, checking deliveries and where appropriate checking and authorising invoices, in order to reduce the risk of fraud.

See also:

Keeping Your Balance – Financial Controls

Regulations

- 18.1. Invoices submitted by suppliers should quote the name of the school site where the work was done or to where goods were delivered, together with a reference to the Purchase Order number and where appropriate delivery note(s). Where suppliers render accounts in non-paper format the FBP CEF shall approve the procedure for requesting supplies from such suppliers and for the payment of these types of accounts.
- 18.2. Only invoices in the name of the County Council or the school must be paid from the school's delegated budget. Invoices (apart from minor claims for expenses etc) shall not be made out by employees of the school, nor shall an employee of the school add any additional items to an invoice rendered by a supplier. Invoices shall not be accepted in which the details are not written in ink or printed.

See also:

A26 - Travel and Subsistence Allowances

- 18.3. No amendments shall be made to Value Added Tax (VAT) invoices. All VAT invoices shall be returned to the supplier for any amendment as necessary in accordance with VAT regulations. All amendments to other invoices shall be agreed with the supplier, shall be made in ink and shall

¹ Payment must be made within specified period as identified by appropriate legislation and regulation, usually within 28-30 days.

be signed in his/her own name by the employee making the amendment and the reasons, if not self-evident, shall be briefly stated on the invoice.

- 18.4. The examination, verification, and certification of an invoice for payment will be the responsibility of the Governing Body or member(s) of the school staff nominated by it. All expenditure must be supported by appropriate documentation.
- 18.5. The matters to be certified by the Headteacher or his/her authorised representative shall include:
- a) that the goods have been received, examined and approved as to quality and quantity, or services rendered or work done satisfactorily;
 - b) conformity with the Purchase Order;
 - c) any specific authorisation e.g. Governing Body minutes;
 - d) that the price(s) charged and the arithmetic are correct;
 - e) that the expenditure is covered by an approved budget;
 - f) that the invoice has not previously been passed for payment; (see paragraph 18.10 below)
 - g) that the allocation of the expenditure and relevant VAT classification code(s) are correct².
- 18.6. The employee certifying each of the foregoing matters shall sign in his/her own name or initial with his/her own initials, where appropriate, any required section of the invoice and the Headteacher, or his/her authorised representative shall then certify the invoice by signing his/her own name in ink on the invoice.
- 18.7. Wherever possible the duties attaching to each transaction of ordering the item, certifying its receipt and certifying the invoice as correct for payment shall be performed by different employees. As a minimum, the employee who certifies the invoice as correct shall not be the person who has authorised the order.
- 18.8. Where the invoice deals with an article to be recorded in an inventory, a reference to the appropriate entry in the inventory must unless otherwise agreed in writing with the Chief Internal Auditor be entered on the invoice before it is certified as correct.

² Expenditure coding is applied at the ordering stage.

See also:

A24 – Asset Management

- 18.9. Where an invoice is for part of an order the Purchase Order number shall be referenced to the invoice. Where appropriate a copy of the relevant purchase Order will be retained with the final invoice.
- 18.10. The Headteacher shall ensure that appropriate controls are in place to prevent duplicate payment of invoices. Where the Headteacher or his/her authorised representative wishes to make payment on a copy invoice he/she must ensure that there is no previous record of the invoice having been passed for payment. In the event that the original invoice appears at a later date, internal controls should exist to ensure that the invoice will not be passed for payment again.
- 18.11. Under no circumstances should payment be made against statements.
- 18.12. For schools operating a local bank account, the Headteacher shall make safe and efficient arrangements for the procurement, security, signature and control of cheques and for the safe retention of paid invoices and other prime documents for the periods specified by the Chief Internal Auditor.
- 18.13. For schools operating a local bank account, adequate arrangements for the separation of duties shall be made by the Headteacher in relation to the authorisation of orders, certification of invoices and signature of cheques and the preparation and monitoring of accounts.
- 18.14. Each Headteacher shall, as soon as possible after the end of the financial year and in any case not later than a date to be determined by the FBP CEF in each year, notify the FBP CEF in a form determined by him/her of all outstanding items of expenditure in excess of an agreed sum relating to goods received or services rendered in the previous financial year.
- 18.15. Since 1 August 1999 the new Construction Industry Scheme (CIS) has applied. See A19 Contracts for Building and Civil Engineering Works for more information.

See also:

Taxation Manual

- 18.16. Where an overpayment or duplicate payment arises and has been certified for payment by the authorised officer within the school, the cost will be charged against the delegated budget. The school delegated budget may also be charged with the administrative cost involved in attempting or recovering such amounts.
- 18.17. Under the provisions of the Late Payment of Commercial Debts (Interest) Act 1998 amended and supplemented by the Late Payment of Commercial Debts Regulations in 2002 the local authority may be charged statutory interest on any amounts which are due to suppliers but which are not paid within the relevant period for each debt. Any interest charge of this type, which is incurred by the local authority as a result of late or delayed payment by the school (or submission by the school for payment of the item by their payment services provider), will be charged to the delegated budget of the school involved.

See also:

Scheme for Financing Schools - section 6.3