



Royal Cornwall Hospitals
NHS Trust

Guidance to Staff Responsible for the Collection of Income Following the Supply of Goods or Services

V6.0

October 2023

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Data Protection Act 2018 (UK General Data Protection Regulation – GDPR) Legislation

The Trust has a duty under the Data Protection Act 2018 and UK General Data Protection Regulations 2016/679 to ensure that there is a valid legal basis to process personal and sensitive data. The legal basis for processing must be identified and documented before the processing begins. In many cases we may need consent; this must be explicit, informed, and documented. We cannot rely on opt out, it must be opt in.

Data Protection Act 2018 and UK General Data Protection Regulations 2016/679 is applicable to all staff; this includes those working as contractors and providers of services.

For more information about your obligations under the Data Protection Act 2018 and UK General Data Protection Regulations 2016/679 please see the Information Use Framework Policy or contact the Information Governance Team.

Royal Cornwall Hospital Trust rch-tr.infogov@nhs.net

1. Introduction

- 1.1. The Trust receives most of its income through contracts agreed with other NHS organisations for the provision of clinical services. Clear processes and procedures for agreeing these contracts and collecting the associated income are in place in line with national protocol.
- 1.2. Additionally, circumstances will arise where a budget holder agrees to supply goods or services to an individual or organisation and an invoice needs to be raised. This policy sets out the process for the collection of this income.
- 1.3. This version supersedes any previous versions of this document.

2. Purpose of this Policy/Procedure

- 2.1. This document provides detailed guidance to how the collection of income following supply of goods or services is undertaken. It provides guidance on the procedures that are required to be undertaken prior to and during the collection of income.
- 2.2. A separate policy covers the recovery of payroll overpayments.

3. Scope

This procedure provides guidance to budget holders responsible for the collection of income and to staff that undertakes the collection of income.

4. Definitions / Glossary

Not required.

5. Ownership and Responsibilities

5.1. Role of the Manager

The Accounts Payable and Accounts Receivable Manager is responsible for:

- the management of the Trust's Aged Debt and improving the team's systems and procedures.

The Accounts Receivable Line Leader is responsible for:

- the day-to-day management of the Accounts Receivable team.

5.2. Role of the Accounts Receivable Team

The Accounts Receivable team is responsible for:

- collecting invoiced income in accordance with the Trust's Standing Financial Instructions, guidance, and procedures. This will include the monitoring and chasing of debts until payment is received, including where necessary, referral to an external debt collection agency.

5.3. Role of the Budget Holders

Budget holders are responsible for:

- raising sales orders with the Management Accounts teams.
- Budget holders and management accountants are also responsible for completing and supplying all back up information to their Divisional Finance Manager to allow the collection of income to be done within Trust's cash control targets.

6. Standards and Practice

6.1. The formal requirements for the collection of income are set out in section 16 of the Trust's Standing Financial Instructions (SFIs), which are available on the document library on the intranet. This document provides additional guidance to budget holders and staff responsible for the collection of income, where the raising of an invoice is required.

6.2. Agreeing to Supply Goods or Services

- 6.2.1. Before agreeing to supply any goods or services, the budget holder / management accountants need to ensure that the individual or organisation can pay. The Trust's Finance Department are happy to provide guidance to budget holders for this.
- 6.2.2. Budget holders / management accountants are also responsible to complete and supply all back up information to their Finance Manager to allow the collection of income to be done within the Trust's cash control targets.

6.3. Details of the Accounts Receivable Team

- 6.3.1. The team is available between 0900hrs and 1700hrs on Monday to Thursday, and 0900hrs and 1630hrs Friday.
- 6.3.2. If there are any queries in respect of debt collection, please contact the team. Contact details of accounts receivable staff can be found on the Financial Services intranet page:

<http://intranet-rcht.cornwall.nhs.uk/brilliant-improvement/looking-after-our-finances/financial-services>

6.4. Payment Arrangements/Settlements

- 6.4.1. The Trust's payment terms are such that the beneficiary of the service or supplied goods shall agree to pay any invoice submitted within 30 days of receipt.
- 6.4.2. The exceptions to this are private patient invoices that are supported by insurance companies. They are allowed 60 days for settlement.
- 6.4.3. All invoices should normally be settled by BACS (Bank Automated Clearing System) unless an alternative means of payment has been agreed.

- 6.4.4. Payments can be made by credit or debit card, and the contact details for this are provided on each invoice, or if a cheque payment is preferred, the address where payment can be forwarded is also provided.
- 6.4.5. Smaller invoices can be settled by a personal visit to the Trust's General Offices/Cashiers Office at Royal Cornwall, West Cornwall, or St Michaels Hospital if an invoice number is quoted to allow allocation of payment to be made to the correct invoice.

6.5. Outstanding Debts

- 6.5.1. If an invoice is not settled within agreed terms, then a standard letter will be forwarded by the Accounts Receivable team to the organisation or individual concerned, reminding them that payment is due. A telephone chase will also occur.
- 6.5.2. If the invoice is not settled within a further 7 days, then a second reminder letter will be sent, in the name of the Financial Controller stating that the debt is overdue and requesting immediate settlement.
- 6.5.3. If the debt remains unsettled for a further 7 days, then a final letter informing that transfer of the debt to our external debt collection agency is sent. If no contact is made within 7 days, the account will be passed onto the debt collection agency.
- 6.5.4. Note that all invoices under £50.00 raised will be chased with three standard letters but will not be passed onto the debt collection agency as the debts will be deemed uncollectable and treated as an expense if unpaid after 3 months.

6.6. Debt Queries

- 6.6.1. All queries that are received by the Accounts Receivable team from debtors regarding their invoice(s) will be investigated, but if further information is needed the queries are forwarded on to the relevant Management Accountant or Budget Holder or the originator of the debtors request to ensure that the debt raised is correct and validated within 24 hours of receipt of the requestor.
- 6.6.2. If the originating department agrees to any changes to the sum involved or debtor details, then any changes to the invoice should be made by raising a credit note.
- 6.6.3. The debtor will be advised by the issuing of a credit note and requesting prompt payment of any remaining overdue sums.

6.7. Statements

The Accounts Receivable team will issue statements to all debtors on the first working day of the month, the only exception to this are certain terminally ill private patients; a list is provided to the Accounts Receivable team by the Private Patients department, all these statements will be sent to the relevant insurance companies.

6.8. Staff Debts

- 6.8.1. As public monies are involved the Trust has a responsibility to ensure that all overpayments are recovered. There is a separate policy and procedure relating to overpayment of allowances and benefits; this can be found on the documents library.
- 6.8.2. Note it is Trust policy that all staff overpayments are to be recovered in the same time frame that the debt was accrued.

6.9. NHS Debts

NHS invoices are raised and forwarded to the appropriate NHS body. An agreement of balances process is undertaken quarterly (from month 6) whereby debts are compared between NHS organisations. If agreement is not possible the debtor must formally notify the trust and dispute the invoice in line with the Department of Health's AOB Guidelines. Budget holders, the Income Department and Management Accountants will be contacted to resolve any issues and assist in the recovery of the debt.

6.10. Debt Collection Agency

Except for NHS debts and debts of £50.00 and under, all debts which remain unpaid will be referred to a debt collection agency for pursuing.

6.11. Write-off of Bad Debts

6.11.1. NHS Debts

Transactions between NHS bodies cannot be treated as a bad debt. When it becomes apparent that a particular charge is not going to be considered by the other NHS body, then a credit note must be raised, and the cost involved will be credited against the original income code unless agreed otherwise by the Chief Finance Officer.

6.11.2. Non-NHS Debts

- 6.11.2.1. The Accounts Receivable team will produce a schedule of debts considered to be uncollectable and pass this to the appropriate individual for authorisation in accordance with the Detailed Delegation Limits contained within the Standing Orders.
- 6.11.2.2. All debts written off are written back to the originating budget cost centres through Losses and Special Payments reporting. All write-offs are reported to the Audit Committee.

7. Dissemination and Implementation

All persons involved in the collection of income and the raising of sales orders, should be aware of these guidelines. Therefore, this guidance will be held on the Trust's document library as a source of information for those persons.

8. Monitoring compliance and effectiveness

This guidance document will be monitored by senior finance management as part of the accounts receivable requirements. Compliance with accounting regulations is monitored through both internal and external audit reviews during the year.

Information Category	Detail of process and methodology for monitoring compliance
Element to be monitored	Compliance with accounting regulations.
Lead	Senior finance management.
Tool	Internal and external audit reviews.
Frequency	Annually.
Reporting arrangements	Accounts receivable requirements.
Acting on recommendations and Lead(s)	Senior finance management.
Change in practice and lessons to be shared	Required changes to practice will be identified and actioned.

9. Updating and Review

This document will be reviewed and updated every 3 years.

10. Equality and Diversity

10.1. This document complies with the Royal Cornwall Hospitals NHS Trust service Equality and Diversity statement which can be found in the [Equality Diversity And Inclusion Policy](#) or the [Equality and Diversity website](#).

10.2. Equality Impact Assessment

The Initial Equality Impact Assessment Screening Form is at Appendix 2.

Appendix 1. Governance Information

Information Category	Detailed Information
Document Title:	Guidance to Staff Responsible for the Collection of Income Following the Supply of Goods or Services V6.0.
This document replaces (exact title of previous version):	Guidance to Staff Responsible for the Collection of Income Following the Supply of Goods or Services V5.0.
Date Issued / Approved:	9 October 2023
Date Valid From:	October 2023
Date Valid To:	October 2026
Author / Owner:	Angela Jenkin, Accounts Payable and Accounts Receivable Manager.
Contact details:	rch-tr.accountsreceivable@nhs.net rch-tr.accountspayable@nhs.net
Brief summary of contents:	Provides guidance to managers and staff on the collection of income.
Suggested Keywords:	Income, Accounts Receivable, debtors.
Target Audience:	RCHT: Yes CFT: No CIOS ICB: No
Executive Director responsible for Policy:	Chief Finance Officer.
Approval route for consultation and ratification:	Originally approved at Finance Committee March 2009; subsequent refreshes approved by Chief Finance Officer.
Manager confirming approval processes:	Deputy Director of Finance.
Name of Governance Lead confirming consultation and ratification:	Deputy Director of Finance.
Links to key external standards:	Key Governance Document.
Related Documents:	Standing Orders, Standing Financial Instructions and Scheme of Delegation.
Training Need Identified:	No.

Information Category	Detailed Information
Publication Location (refer to Policy on Policies – Approvals and Ratification):	Internet and Intranet
Document Library Folder/Sub Folder:	RCHT / Finance / Financial Services.

Version Control Table

Date	Version Number	Summary of Changes	Changes Made by
Created November 2008	V1.0	New document introduced to give guidance on for the collection of income following the supply of goods or services.	Sarah Gould Financial Controller
January 2010	V2.0	Update to include revised contact details for debtors team.	Adam Wheeldon Deputy Director of Finance
June 2012	V3.0	Refresh of document to reflect current practice and concentrate on Collection of Income.	Stacy Richards Income and Payments Supervisor
June 2015	V4.0	Refresh of document to reflect current practice and concentrate on Collection of Income.	Angela Jenkin Acting Income and Payments Supervisor
August 2019	V5.0	Refresh of document to reflect implementation of integrated finance and procurement system.	Sarah Gould Financial Controller
May 2023	V6.0	Refresh of document to meet Trust requirements re accessibility.	Joanne Palmer Deputy Financial Accountant

All or part of this document can be released under the Freedom of Information Act 2000

All Policies, Strategies and Operating Procedures, including Business Plans, are to be kept for the lifetime of the organisation plus 6 years.

This document is only valid on the day of printing.

Controlled Document

This document has been created following the Royal Cornwall Hospitals NHS Trust [The Policy on Policies \(Development and Management of Knowledge Procedural and Web Documents Policy\)](#). It should not be altered in any way without the express permission of the author or their Line Manager.

Appendix 2. Equality Impact Assessment

Section 1: Equality Impact Assessment (EIA) Form

The EIA process allows the Trust to identify where a policy or service may have a negative impact on an individual or particular group of people.

For guidance please refer to the Equality Impact Assessment Policy (available from the document library) or contact the Equality, Diversity, and Inclusion Team
rcht.inclusion@nhs.net

Information Category	Detailed Information
Name of the strategy / policy / proposal / service function to be assessed:	Guidance to Staff Responsible for the Collection of Income Following the Supply of Goods or Services V6.0.
Department and Service Area:	Finance.
Is this a new or existing document?	Existing.
Name of individual completing EIA (Should be completed by an individual with a good understanding of the Service/Policy):	Angela Jenkin, Accounts Payable and Accounts Receivable Manager.
Contact details:	rcht-tr.accountsreceivable@nhs.net rcht-tr.accountspayable@nhs.net

Information Category	Detailed Information
1. Policy Aim - Who is the Policy aimed at? (The Policy is the Strategy, Policy, Proposal or Service Change to be assessed)	To provide detailed instructions for managers responsible for collection of income, and staff undertaking collection of income.
2. Policy Objectives	To improve the accuracy of collection of income.
3. Policy Intended Outcomes	Improved collection of income accuracy.
4. How will you measure each outcome?	Internal and external audit reviews will assist in this area.
5. Who is intended to benefit from the policy?	The Trust, through improved collection of income records.

Information Category	Detailed Information
6a. Who did you consult with? (Please select Yes or No for each category)	<ul style="list-style-type: none"> • Workforce: Yes • Patients/ visitors: No • Local groups/ system partners: No • External organisations: No • Other: No
6b. Please list the individuals/groups who have been consulted about this policy.	Please record specific names of individuals/ groups: Finance Committee.
6c. What was the outcome of the consultation?	Agreed - The guidance clarifies the responsibilities of all staff equally.
6d. Have you used any of the following to assist your assessment?	National or local statistics, audits, activity reports, process maps, complaints, staff, or patient surveys: No.

7. The Impact

Following consultation with key groups, has a negative impact been identified for any protected characteristic? Please note that a rationale is required for each one.

Where a negative impact is identified without rationale, the key groups will need to be consulted again.

Protected Characteristic	(Yes or No)	Rationale
Age	No	
Sex (male or female)	No	
Gender reassignment (Transgender, non-binary, gender fluid etc.)	No	
Race	No	
Disability (e.g. physical or cognitive impairment, mental health, long term conditions etc.)	No	
Religion or belief	No	
Marriage and civil partnership	No	

Protected Characteristic	(Yes or No)	Rationale
Pregnancy and maternity	No	
Sexual orientation (e.g. gay, straight, bisexual, lesbian etc.)	No	

A robust rationale must be in place for all protected characteristics. If a negative impact has been identified, please complete section 2. If no negative impact has been identified and if this is not a major service change, you can end the assessment here.

I am confident that section 2 of this EIA does not need completing as there are no highlighted risks of negative impact occurring because of this policy.

Name of person confirming result of initial impact assessment: Angela Jenkin, Accounts Payable and Accounts Receivable Manager.

If a negative impact has been identified above OR this is a major service change, you will need to complete section 2 of the EIA form available here:
[Section 2. Full Equality Analysis](#)