Policy

Royal Blind & Scottish War Blinded

Department: Finance
Reference: FIN.002

Title: Authorisation of Payments, Expenditure & Documents

Date Issued: April 2009
Reviewed: December 2014
Next Review date: December 2017

1.0 Policy

1.1 The policy sets out:

- The principle for committing and actioning expenditure on behalf of the Organisation, to ensure that no person commits the Organisation to expenditure when they do not have the authority to do so

- The principles to be followed when approving and making a payment of the invoices, to ensure that only valid, approved invoices are paid

- The principles for signing documents on behalf of the Organisation, to ensure that only authorised directors, managers and staff sign documents.

1.2 Authorisation limits and details are set out as follows:

- Details of who has the authority to commit and approve expenditure and their financial limits are contained in (Appendices 1,2,3 & 4)

- Details of who has authority to make payments are set out in (Appendix 5)

- Details of who has the authority to sign documents on the Organisation’s behalf are set out in (Appendix 4)
1.3 Heads of Section may further delegate the authority to incur and approve expenditure within their staff groups, however the overall responsibility remains with the post holder identified within the Appendices. Any further delegated authority must be documented and passed to the Finance Department for monitoring.

2.0 **Policy Objectives:** To set out the principles for:

- Committing and approving expenditure by the Charity
- Making payments on behalf of the Charity
- Signing documents on behalf of the Charities

To provide details of:

- Approval of expenditure authorisation limits by expenditure type
- Authorisation of payments by payment type
- Staff and directors permitted to authorise documents

3.0 **Principles**

3.1 Expenditure will only be committed if there is sufficient remaining budget available, or if specific prior approval for spend has been authorised by the Chief Executive, Board or one of the committees by way of virement (reference Budgetary Control & Virement).

3.2 All commitments will be made in line with the authorisation limits set out in (Appendices 1, 2,& 3).

3.3 All approvals for the commitment of expenditure will be retained. These will normally take the form of purchase orders, successful tenders, or payments request forms.

3.4 Payments to suppliers or contractors will only be approved on receipt of official invoices or valuations. Payment will not be made on copy invoices without specific approval being given by the payment
authoriser and after a thorough search for the original has been concluded.

3.5 Before paying an invoice, Finance will ensure that an original order or instruction was given at the appropriate level, the works/goods/services completed or received, and that the invoice details and price are correct.

3.6 Payments without an invoice will only be made through the preparation and authorisation of a Payment Request Form.

3.7 Before actioning a payment on a Payment Request Form, Finance will check that appropriate steps have been taken in the preparation of the payment request, that sufficient evidence supporting payment is attached and the request has been properly signed and countersigned.

3.8 All payments will be made within the authorisation limits set out in (Appendices 1, 2, & 3).

3.9 Disputed invoices or invoices awaiting additional information from either a contractor or a supplier will remain unpaid and held within the Finance Department until additional information has been received or any dispute has been resolved.

3.10 All payment requests and backup will be held for six years in line with the Charities Act.

3.11 All procurement must be carried out in line with the Royal Blind Procurement policy.

3.12 All documents signed on behalf of the organisation will be completed in line with the authorisation limits set out in (Appendix 4).

4.0 Reporting

4.1 The Finance and General Purposes Committee (F&GPC) will monitor the commitments policy through regular Management budget reporting. Any budget variation in excess of £5,000 will be reported to committees within the narrative that accompanies the Management Accounts.

4.2 Systems for making payments will be reviewed every three years and observation or recommended action will be reported to the Finance and General Purposes Committee.

4.3 The document signing policy will be reviewed every three years and observation or recommended action will be reported to F&GPC

5.0 Review of Policy
5.1 The Finance Manager and the Chief Executive will review this policy every three years or when changes in legislation dictate a change is necessary. The policy will be submitted to the Audit Committee for approval.