

# **Service Level Agreement 2024-2025**

## **Southampton Schools**

**Accounts Payable  
and  
Customer Payment and Debt**

## Accounts Payable and Customer Payment and Debt SLA Charges 2024-2025

Service	Primary/Special Schools	Through School (St Marks)	Secondary Schools	Service Contact for SLA
Accounts Payable	Annual cost £2,484	Annual cost £2,916	Annual Cost £3,780	Amy.Faucitt@southampton.gov.uk
Customer Payment & Debt	Cost is based on usage of the service from previous financial year (22/23).			Tom.Hatherell@southampton.gov.uk

In 2023, an increase of 6.7% (CPI as at September 23) plus a contribution towards other costs incurred within the teams (such as: invoice capture system) was agreed for the 2024/25 charges for Schools SLA

For SLA year 2024-2025 the Accounts Payable team will be applying a 6.7% of gross invoice value admin fee for the following errors:

- Invoices paid on the wrong supplier – at GRN or Approval of the invoice for payment – the approver has the opportunity to query if the invoicing company and supplier loaded against looks incorrect.
- Duplicate payments – once again any budget approver should be aware of what they have already approved previously and can query at this stage.
- Credit refunds on a suppliers account where there are no further payments expected – if we are not going to pay the supplier again, a credit will not close any issues, a Bacs refund should be sort in order to clear any ledger items.

The Accounts Payable Team will monitor these errors and log them, at the end of each month an email will be sent to each school that have errors for you to check and query if you believe they aren't true errors, then in the final month of the financial year a journal entry will be created to recharge these fees.

## **1. Introduction**

1.1 The service level agreement provides the use of financial management systems and support for the following services.

- Accounts Payable
- Customer Payment and Debt recovery

**Banking services has been moved to a separate SLA agreement.**

1.2 The services specified are provided under the terms and prices detailed on page 2

## **2. Services**

### **2.1 Accounts Payable (Creditors Team)**

The main current features of this service are detailed below.

#### **a. Contact Details:**

To send invoices to the AP team to register in Business World please email to:  
[invoices.only@southampton.gov.uk](mailto:invoices.only@southampton.gov.uk)

For any queries, please email the AP Team by email using:  
[creditor.paymentsteam@southampton.gov.uk](mailto:creditor.paymentsteam@southampton.gov.uk)

#### **b. Creditor Payment Processing**

- Input all invoices (manual, temporary, periodic, direct debit, or emergency) payments onto the Creditors system Business World.
- Check any PWI requests that have been input by the school
- Respond to queries from suppliers.
- Recovery of overpayments, where an amount has been over paid or paid to the wrong creditor.
- Correction of errors (e.g. payment made to incorrect creditor or payment of an incorrect amount).
- Provide an interface with other financial systems.
- Provide User advice and support including correcting and updating transactions on Business World requested by the school.

#### **c. Maintenance of Local Imprest Accounts**

- Open and maintain local imprest accounts. It should be noted that an additional charge may be incurred if the imprest account is not kept up to date and reconciled.

#### **d. Maintenance of Purchase Cards**

- Issue key communications to purchase card users
- Process approved card applications and validate card accounts
- Train card holders and card administrators
- Deal with any cardholder account queries, e.g. unblocking cards, amending approved card limits
- Liaise with the authority's bank
- Process the weekly/monthly download of transactions into Business World
- Day-to-day administration of information for cardholders, card administrators and the change of information form

#### **e. Supplier Master File Maintenance**

- Maintain the Supplier Master File, controlling the setting up of new creditors and amending data held when necessary.
- Periodic closure of unnecessary and unused records.
- Promotion of BACS payment method.
- Exercise control over high value payments and credit notes.

#### **f. New Supplier Requests**

- A new supplier should be requested using the Business World form before an invoice is received, failure to set up prior to invoice receipt can result in a significant delay depending on Procurement and Accounts Payable checks

#### **g. Document scanning, storage and retrieval.**

- Scanning of invoices onto Business World (where opted into P2P).

## **2.2 Customer Payment & Debt Recovery**

The main features of this service are:

### **a. Debt Recovery Service**

- A comprehensive recovery service is available for those schools who do not wish to manage income and debt on a local basis.
- Management (e.g. chasing and maintenance) of customer accounts on a regular basis, in addition to a generic inbox with a typical response time of less than 48 hours for customer queries that will be signposted back to the school, if necessary.
  - If the customer is a member of the public, please email: [cpd.queries@southampton.gov.uk](mailto:cpd.queries@southampton.gov.uk)
  - If the customer is a business or organisation, please email: [cpd.commercials@southampton.gov.uk](mailto:cpd.commercials@southampton.gov.uk)
- Issuing refunds to customers who overpay invoices or pay for a subsequently cancelled charge.
- Checking proposed new customer records for accuracy of contact information and making recommendations with a view to ensuring invoices are enforceable.
- Writing off debt where considered appropriate. The decision to write off a debt is based on the level of indebtedness to the Council, the customer's ability to pay and any assets registered in the customer's name that can be enforced against through legal action (e.g. property). This process can involve a personal credit check as part of a pre-litigation process.

### 3. Opting Out of Finance Systems (Cheque Book Schools)

3.1 Schools may choose to use alternative financial management systems provided they have a surplus budget but will need to ensure that they comply The Scheme for Financing Schools. Schools who opt out, maybe be subject to additional audit checks to ensure the integrity of their systems and additional requirements may also be imposed on these schools in respect of budget monitoring information and accounting for Value Added Tax.

3.2 Schools will need to ensure that their financial system can deal with the following:

- **Payments** – schools will need to make payments to suppliers either through their own BACS arrangements or by the production and despatch of cheques.
- **Procurement** – as a separate entity the school may lose some of the spend benefits associated with participation in Council corporate contracts.
- **Income and expenditure** – schools will need to enter all transactions into to their own accounting system. Responsibility for chasing debts and possibly non-recovery will rest with the school.
- **Banking** – the school would need to establish banking service provision and make local arrangements for the provision of stationery, counting and deposit of local income, the checking of bank statements, reconciliations of bank accounts, dealing with ‘refer to drawer’ cheques, and compliance with money laundering legislation.
- **Cash flow** – the total budget share will be paid into school’s account in monthly instalments. Schools will be responsible for ensuring that the bank account does not become overdrawn.
- **Payroll** - The school is responsible for the calculation, payment, completion of statutory returns and correction of errors with regards to salaries, PAYE, National Insurance and pension contributions. This will include providing annual financial details of Teachers Pensions payments and contributions to the Council. Also, for pension scheme purposes, information on starters, leavers, and other contractual changes will need to be sent to Hampshire County Council and Teachers Pensions.
- **Budget monitoring** - Schools will need to supply regular budget monitoring reports to the Schools Finance Team.
- **Consistent financial reporting (CFR)** - Schools must ensure that their financial system can report in CFR format and that a CFR return is sent to Schools Finance Team in accordance with a timescale set so that a return on behalf of all Southampton schools can be sent to the DfE in line with statutory timescales.
- **Schools will be required to pay VAT** on expenditure where necessary. At the end of each month a VAT claim must be submitted to the Council giving details of the actual amount of VAT paid so that this can be reimbursed to the school.